ESTABLISHED 1887

New U.S. Priority: 'Competitive' Economy

By Peter T. Kilborn

WASHINGTON - Behind the theme of "competitiveness" that President Ronald Reagan struck in his State of the Union Message lies new political attention to failings in the American economy that have mubied industrial analysts for

In order to make the U.S. economy more productive, the president is encouraging a greater commit-ment to the development of new technologies, retraining of workers for jobs in growing industries and ring the education of more en-

LATE NEWS

SALT-2 Bill

is introduced

legislation Thursday that would no mined the United States to

The United States exceeded those limits in November by

THE COST RE

IN CESS VOYAGE

WASHINGTON (NYT) -

Four senators, two Republicans

and two Democrats, introduced

stay within the limits of the sec-

and strategic arms treaty of

those limits in November by

converting its 131st bomber so

that it could carry cruise mis-

NSIDE TODAY

Christian Lacroix's pour

for Paton, renewing Par-

is fashion leadership.

Hebe Dorsey, Page 6.

WUS. sixtimes may become im-

mune from antitrust suits for

consulting on schedules, under

an agency proposal. Page 3.

a U.S. official warned. Page 11.

Compiled by Our Staff From Dispatches

Britain's trade and industry secre-

district if scandals continue.

the financial district.

sanctions."

year of Distillers Co.

rate law needs to be reformed.

self-regulatory system was inade-

194-1-coat and Grankly steller

CALAL HERALD TRADE

ation of London's financial

Mr. Channon told the House of

He said there were "discussions

to be held between government and

City regulatory bodies" with a view

to tightening up the self-regulation system. But he added: "If practitio-

ners do not respect this system, we will replace it with one making

er use of statutory powers and

Britain Warns of Ending

City's Self-Regulation

tary, has threatened to end self- ing British companies.

LONDON - Paul Channon, the Conservatives of complacency

Commons late Wednesday that Labor motion calling for the imme-Prime Minister Margaret Thatch-diate establishment of an indepen-

er's government was determined to dent statutory commission to su-

cultures high standards in the City, pervise the City's financial services.

BUSINESS/FINANCE

I James faces a deep recess

GENERAL NEWS

Although the proposals the pres-ident made Tuesday under the ru-bealthy—is losing ground to even ic policies that produced the budwe prepared to enter the 21st century?" the president has attempted

NEWS ANALYSIS

to lay the groundwork for a debate focus of the administration's economic policies over its remaining

At the core of the issue is abundant evidence that the celebrated

By Ferdinand Protzman

FRANKFURT - Alain Brass-

ad-Delamain's family has been

producing fine brandy in the

French town of Jamac for more

But in his 23 years in the business, Mr. Braastad-Delamain says,

he has never seen anything like the

"Berlin airlift" that brandy produc-

ers mounted this month in a race to

ship stocks to the United States to

beat a threatened 200-percent in-

crease in tariffs. The levies would

have raised the U.S. price of a \$25

The higher tariffs, which were to

have taken effect Friday, appeared to have been averted Thursday

when U.S. and European Commu-

nity negotiators settled a bitter dis-

pute over grain sales to Spain. The

measures would have affected

about \$430 million worth of EC

But for Mr. Braastad-Delamain

and other European farm produc-

ers caught in the squeeze, the reports of an agreement caused little

lmost certainly will disrupt mar-

kets and business for many

months, they say. And many EC

producers worry that the threat of

nuge tarifis has set a dangerous

precedent that the United States

will use again and again as it tries

to cope with protectionist senti-

ment among American farmers,

afacturers and Constress.

e Americans would do this." sa

family owns Cognac Delamain, a

wholesaler of wines and spirits de-

scribed the rush as "the Berlin air-

lift of Cognac. We've got about

Beverage industry analysts esti-

mated that a six- to nine-month

supply of Cognac has entered the

Labor legislators have accused

during a wave of takeovers involv-

But the House of Commons,

where the Conservatives have a ma-

jority, voted 283-181 to defeat a

United States since Jan. 1 — or 650.000 to 980.000 cases, compared

four years' worth of it in our ware-

house right now," he said.

"It all came as such a shock that

Mr. Braastad-Delamain, whose U.S. financial industry.

farm products.

rejoicing.

bottle of Cognac to at least \$75.

than two centuries.

nal Herald Tribune

est indeed, in asking "How well are which are often cited as cases of industrial decline.

The president wants to seize the political initiative before the issue has been captured by his opposition. His strategy, aides say, is to to any the groundwork for a debate play to the same populist passions that his administration's most significant legislative achievement, last year's overhanl of the tax system.

The theme has its detractors. Critics in Congress and in industry American standard of living - the maintain that the president is meremeasure of how well the nation is ly trying to divert attention from

To Beat Levy, a Cognac 'Airlift'

Huge Shipments to U.S. May Disrupt Markets for Months

the levy increase Dec. 31.

Reagan administration announced

Gin, another target of the tariffs,

also has poured into the United

States, according to Norman Bur-

The EC has agreed to grant

in their grain dispute. Page 11.

rough, chairman of James Bur-

rough PLC in London, which

shipped "several month's worth" of

gin during the first two weeks of

his company has had to sacrifice its

"It's been very disruptive," Mr. Burrough said. "Now we have a

plant here that will be under-uti-

fized for the next few months, be-

cause of the glut in the States. Meanwhile, the planning and

The activity of the last few weeks $U.S.\ Banker\ Denounces$

rate takeover laws to curb abuses

"We in the financial community

small producer of very fine bran- have to face a hard truth: There is a into corporate raiding. To limit

sional committee late Wednesday.

ly focused on the recent wave of

overs and on the various activities

"Its most deeply disturbing as-

pect, so far, has been the Ivan Boesky affair," Mr. Rohatyn said.

He was referring to an insider-trad-

related to them."

The greed, he said, "is specifical-

makes Beefeater gin.

future business needs.

with 1.3 million for all of 1986. The preparation for the future that nor-

He said his company had and sorghum products imported

In trying to protect itself, he said, was furious at the FC requirement

A 'Cancer Called Greed'

WASHINGTON - Felix G. ters on the activities of Ivan F.

Robatyn, the prominent New York Boesky, a stock speculator who was

investment banker, says that ordered to pay a \$100 million line

that he believes are threatening the out often for a higher morality in

hinge junk-bond-financed take- stitutions and the use of capital for

changes should be made in corpo- to the govern

been done.

bric of competitiveness were modsuch countries as Britain and Italy,
get and trade deficits. These, they say, have done more to hurt competitiveness of the American economy than the weaknesses in education, technology and corporate management to which the administration is now pointing.

> The administration grants that the deficits have undermined competitiveness, but it maintains that here are more profound problems that go back to the years after World War II.

"These problems go beyond the See COMPETE, Page 6

mally is done in January has not

"And we've had to virtually ig-

nore our other important export markets," he said. "I'm the chair-

man and I have had no time for

anything else for the past six

The U.S. action goes back to January 1986, when Spain and Por-

tugal became the 11th and 12th

members of the European Commu-

nity. Under EC rules, the newcom-

from the United States.

ers had to raise their tariffs on corn

The Reagan administration,

faced with a domestic farm crisis,

saying it would cost American

farmers about \$430 million a year.

have been the subject of negotia-

tions for more than a year. When

the talks became stalled last month.

the White House said it would im-

See AIRLIFT, Page 15

Mr. Rohatyn, who has spoken

public affairs, was testifying at a

Senate Banking Committee hearing

corporate policy.

He said abuses were threatening

the integrity of the U.S. securities

What is needed, Mr. Rohatyn

said, are limits on the amount of

high-yield, high-risk junk bonds that can be carried by financial

institutions, and a minimum period

of perhaps a year before sharehold-ers are eligible to vote on major

The committee's chairman, Sen-

ator William Proximire, Democrat

of Wisconsin, and other committee

members agreed that takeovers

"Corporate raiders, who produce

little, but trade a lot of paper, make

off with tens and sometimes hun-

dreds of millions of dollars," Mr.

Proximire said, "while leaving thou-

sands of corporate employees out

Senator John Heinz, Republican

of Pennsylvania, noted that, "Man-

agers can't worry about competing

with the Japanese if they're busy

competing with Wall Streeters for

were hurting the U.S. economy.

markets, the safety of financial in-

economic growth.

corporate matters.

of work."

U.S. demands for compensation



Rebellious troops on Thursday ended their three-day occupation of a broadcasting station in suburban Manila.

Manila Rebels End Uprising; Aquino Vows Stiff Penalties

By Michael Richardson ernational Herald Tribune

MANILA - Rebellious troops who attempted this week to take over military bases and communication centers in Manila ended their three-day seizure of a television station Thursday with a peaceful surrender.

But the question of punishment remained open and raised the possibility of serious tensions between the government and the military.

President Corazon C. Aquino, taking a much harsher line than her top commanders, said Thursday that everyone implicated in the armed revolt, military as well as civilian, would be "held to the fullest account."

But the military chief of staff, General Fidel V. Ramos, said that talk of courts-martial was "prema-

The final evacuation of the tele-

hours because they demanded an

Still carrying their weapons, the men finally left the premises un-conditionally after being warned by a government military negotiator that they had until sundown to submit. They were taken by bus under escort to a military camp for interrogation.

Mrs. Aquino, who also is commander-in-chief of the armed forces, commended the way in which the military brought the uprising to a peaceful conclusion. Speaking to a university audience, she said there had been "a

determined effort to disrupt the affairs of government and the nation She said the revolt had been a

"clear attempt to overthrow the first principle of democracy, which is civilian supremacy."

Officials said the president was

convinced that she had overwhelming popular support for her firm stand against efforts to destabilize her government as the country prepared for a plebiscite on a proposed constitution.

The constitution, which Mrs. Aquino has called vital to political stability, would fix a six-year presidential term, meaning that Mrs. Aquino would not be required to hold a presidential election until

Officials said about 500 people including several generals and a number of opposition political figures, were under interrogation or suspicion in connection with the

Mrs. Agnino said it was for courts and military tribunals to determine guilt and punishment.

She said civilians implicated in the affair would be charged with rebellion. Justice Minister Neptali Gonzales said that military personnel involved would be court-martialed and penalties "could range

But General Ramos said he thought it was "premature" to talk about courts-martial because that would depend upon evidence of wrongdoing following an investiga-

Government pressure for decisive action against the rebels also prompted a group of influential middle-ranking officers to warn General Ramos in a two-and-a-half hour meeting that ended early Thursday not to use force to end

the occupation. A cabinet source said that the See MANILA, Page 6

Ferdinand E. Marcos, at his home in Hawaii, discussing an aborted plan to return to Manila.

dies. "We had to ship very quickly. Cancer threatening our industry. takeovers, the committee is considured our customers." The cancer is called greed," Mr. ering changes in laws governing the rights of shareholders to vote on and Frères & Co., told a congression of the control of the con Marcos's Return Is Aborted

U.S. Blocks Plan; He Complains of Being Prisoner

Larry Speakes, the White House Mr. Marcos was apparently plan-spokesman, said, "We reviewed our ning to return and that they object-MANILA --- Ferdinand E. Marments with him and he decid-

cos abandoned a plan to return to the Philippines on a plane piloted by American mercenaries after the plan was discovered by Philippine and U.S. authorities, government officials said here Thursday.

They said Mr. Marcos's wife, Imelda, had prepared for her and her husband's return by buying about \$2,000 worth of combat uniforms in an army surplus store in living in exile there since February.

The plan had been timed to coincide with this week's military revolt in Manila, the officials said. The revolt was blocked by the govern-

In Washington, the White House acknowledged that it told Mr. Mar-cos that his leaving would violate terms of his stay in the United

ed not to go." In Honolulu, Mr. Marcos said that U.S. officials told him he would be physically prevented from going aboard any plane headed for the Philippines.

"Now I am being treated like a prisoner," he said. Mr. Socakes said that when Mr.

Marcos was given political asylum in the United States in February, "it was with the understanding that he could come and go as he pleased with one exception — that was, if he wished to return to the Philippines, he could do so only by prior agreement with the Philippine goveroment "

Mr. Speakes said Philippine government officials informed the United States on Wednesday that

ed to his doing so.

Mr. Speakes said, "Last night, we had a State Department repre sentative in Hawaii call on Mr. Marcos to review our agreements with him. Mr. Marcos subsequently decided not to return to the Philip-

Asked if the United States was prepared to physically restrain Mr. Marcos if he had not canceled his plans, Mr. Speakes replied: "We can't answer that. That's specula-

Teodoro Benigno, the spokes-man for President Corazon C. Aquino of the Philippines, said, "I understand from reports that imelda had already prepared her boots and jeans" and was prepar-

See MARCOS, Page 6

Bush Calls Iran Sales 'Debatable'

By James Gerstenzang

Los Angeles Times Service
WASHINGTON — Vice President George Bush, in an apparent move to demonstrate a measure of independence from the White House and the taint of the Irancontra affair, has called President Ronald Reagan's arms sale to Iran debatable.

Mr. Bush, in a television interview Wednesday, said, "On the surface, you can make the case that it's wrong." But he continued to assert his support for Mr. Reagan's po-

Meanwhile, one day after delivering a speech that Republicans hoped would ignite a White House recovery from the arms sale operation scandal, the president was faced with complaints, even from Republican allies, that his effort to address the crisis was insufficient.

One Republican congressional aide said, "Most Republicans felt he looked good, but would have preferred to have heard more on Iran, to allay their fears and calm their concerns." He added, "I don't think he did that, but I don't think it was a total disaster."

Mr. Reagan said in his State of the Union address Tuesday that "serious mistakes were made" in the sale of U.S. arms to Iran, that it "did not work" and that he took "full responsibility."

In addition to the problems the Iran operation has presented to Mr. Reagan, it creates a special problem for Mr. Bush in his quest for the 1988 Republican presidential nomination.

With Mr. Reagan's popular support diminished, Mr. Bush can either distance himself from the policy - at the risk of appearing disloyal — or pronounce his support for Mr. Reagan at the risk of

Hostage Issue Fails to Excite West Germans By James M. Markham German's identity card.

New York Times Service

He spoke as political pressure rose over the scandal surrounding Guinness PLC, the British brewing evening television news programs. The relatives of the victims have giant that has admitted manipulating its stock during its takeover last not become overnight television year of Distillers Co.

personalities. Politicians have not Mr. Channon has faced criticism

that the Conservative government is not dring enough to combat inlader trading and other illegal prac-He said he did not believe that the City's self-regulatory Takeover Panel should be given statutory powers. The panel rules on whether

lakeover bids conform with the Trans World Airlines plane. The simation is, on the face of it, City's code on standards of fair dealing. Such rulings have no legal 2 compelling human and political drama and, for this country, someforce and compliance with them is thing new. Yet West Germany's press and television have been cov-Mr. Channon said the government also planned to review other ering the story with enormous re-

Arengthen City regulations on be rather unexcited. One obvious reason is that Mr. He said his department would Kohl has been fairly successful in the said his department would be said his department withholding information on the withholding information on the case and, in a capital that is usually lohn Smith, a trade and industry

would be it for him." As a result, mysterious "develop-

ments" have been reported in the case that are difficult to check. one of the most open in Western From Beirut, news agencies have discovered the presence of a man, who is supposed to have material-

Mr. Fischer, if he exists, appears almost as disembodied as an "Arab

On Tuesday, when the news broke of the arrest of the terrorist suspect's brother at Frankfurt Airport, many officials were uncharacteristically tight-lipped. But even-tually the details of the story dribbled out, including the news that the police had stormed an apartment in the Saarland where he lived and wounded one Arab man and detained several others.

In the United States, the Carter presidency was brought down by the 444-day Iran hostage drama, which became a marathon television speciacular. Yet although the kidnappings of the two Germans occurred at the end of a national election campaign, no politician tried to exploit them and, as far as can be discerned, they had no influence on the elections Sunday.

Just before the voting, perhaps surprisingly, Hans-Jochen Vogel, the opposition Social Democrats parliamentary floor leader, tersely urged Mr. Kohl to show firmness in the case. But Mr. Vogel was justice minister in the 1970s when the government of Helmut Schmidt was buffeted by a wave of terror.

Hans-Joachim Friedrichs, a television commentator who lived for See BONN, Page 6

FIRST MEETING - Oliver Tambo, president of the African National Congress, greeting George P. Shultz, the U.S. secretary of state, in Washington. Page 6.

BONN — On many nights, it is the third or fourth item on the sought to make political hay, and from the opposition Labor Party the government is silent. Two West German business rep-

resentatives have been kidnapped in West Beirut, apparently in an attempt to force Chancellor Helmut Kohl into freeing Mohammed Ali Hamadeh, a terrorist suspect wanted in the United States in connection with the 1985 hijacking of a

potential reforms designed to straint, and the country appears to

spokesman for Labor, said the Europe, hard information is diffi-Guinness affair showed that the cult to obtain.

An aide said: "The chancellor really came down like a sledgeham-



This photograph of Robert Polbill, an American kidnapped in West Beirut last weekend, was released Thursday by the group that claimed responsibility for his abduction. Page 2.

mer on this one and said that if ized at the Lebanese Defense Minanyone talked on this one that istry at Yarze outside the city.

from southern Germany," who, according to Der Spiegel, has informed government officials that apparently a West German inter- one of the kidnapped Germans. mediary named Bernhard Fischer, Rudolf Cordes, is in good health, who is supposed to have material—"Proof" of Mr. Cordes's well-being

Navy Maneuvers in Gulf Called 'Precautionary'; **U.S. Considers Options**

By Don Oberdorfer Washington Post Service
WASHINGTON — A senior

Reagan administration official has described U.S. naval movements in and near the Gulf as "precautionary measures" to protect strategic interests and disclosed that the government was considering "a whole range of options" for addi-

The statements, in a White House briefing Wednesday to dis-cuss a new report on U.S. strategy prepared by the National Security Council staff, were the first public signs of a policy review toward the Gulf that has been under way for several weeks.

Two interagency meetings have been held on the situation since Iranian forces began their current push toward the Iraqi city of Basra, but the discussion of additional action has not yet reached the top level of the National Security Council involving President Ronald Reagan and his cabinet-level advisers, according to official

The senior White House briefer spoke of "a whole range of options" being under consideration in response to a question about the possible supply of U.S. aid or equipment to either side in the lran-Irao war.

The Reagan administration secretly transferred arms to Iran from September 1985 through Oc-

Secretary of State George P. Shultz has declared that no more arms will be supplied to Iran, and the U.S. strategy report released Wednesday at the White House declared that, "Until Iran ceases its efforts to prolong the senseless war with Iraq, we will actively work to block the flow of arms and military material to Iran.

Until now, the administration has refused to supply arms to Iraq, though it was disclosed late last year that the United States secretly had supplied intelligence information to assist the Iraqis in their war

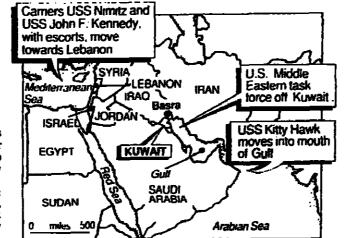
White House and State Department officials sought to discourage speculation about a U.S. supply of arms to Iraq, saying that Iraq has plenty of armaments and equip-

The administration recently has been stepping up its supply of arms to Arab states it believes threatened by Iran, proposing the first sale of F-16 fighters to Bahrain and a new sale of armored personnel carriers to Saudi Arabia. Further military sales to Arab nations are under consideration.

About the U.S. fleet movements, the White House briefer said, "We are simply concerned over rising tension in general" in the Gulf and want to "make sure that that we are prepared if our strategic interests are threatened and to show support for our friends in the region."

At another point the senior official expressed concern about damage to U.S. interests and those of friendly nations that could result were you to see any kind of Iranian aggression down through the Gulf."

Other officials expressed partic-



which has a mutual security pact with Saudi Arabia. Official sources said three U.S. ships from the U.S. Middle East

force were now in the northern part of the Gulf, while three warships of the force remain south of the Strait

The aircraft carrier Kitty Hawk and an accompanying battle group have been dispatched to the north-ern Arabian Sea just outside the Gulf, the sources said. The Kitty Hawk, which had been in the Philippines, is reported to be a week away from its Arabian Sea station. ■ Iran Claims New Advances

Iran said Thursday that its forces made fresh advances inside Iraqi territory, and Baghdad reported air strikes on an Iranian oil terminal as Islamic leaders called for a truce in the war, Reuters reported from Manama Rahrain.

Tehran immediately rejected the peace call by the 46-member Islamic Conference Organization, which said in a communique after a four-day meeting in Kuwait that the war threatened regional peace and se-

Other officials expressed particular concern about Iranian threats troops, in a three-pronged attack, worthy of praise." Tehran Radio to Kuwait, which borders Iraq and were moving into new positions quoted him as saying.

west of the Jasim river six miles (10 kilometers) from Basra and ad-vancing along the road to Basra from Shalamcheh.

in Baghdad, a High Command iqué said 24 aircraft raided oil and gas installations at Ban-dar-e Mashur, 10 miles northeast of Iran's port of Bandar Khomeini, and destroyed a supertanker berthed there.

The Islamic meeting, boycotted by Tehran because of Kuwait's backing for Baghdad, called for collective efforts to end the war but did not mention any new peace bid. Conference sources said a plan to send a peace mission to Tehran to try to persuade the Iranians to

enter peace talks apparently had been shelved. Iran has said it would ignore the conference's resolutions, and President Ali Khamenei said Thursday in Tehran that its decisions were

"Instead of reprimanding and expelling the Iraqi regime for invading an Islamic country, they have issued a dry and meaningless call to peace, without realizing that

truth about the "rampage of evil" under the rule of Stalin.

drawing a bitter portrait of the Stalinist terror that brought ordinary

people to "behave like beasts" and

The autobiographical poem was

written in the late 1960s by Alexan-

der Tvardovsky, one of the literary

champions of de-Stalinization, at a

time when when the leadership un-

der Leonid I. Brezhriev had barred

Publication of the poem, "By Right of Memory," in the monthly Znamya coincided with the public

release of a surrealistic film, "Re-

But while the film's director,

Tengiz Abuladze, has declined to

say publicly that it is a portrayal of

the dictator, the Tvardovsky poem

deals directly with Stalin and the

spiritual slavery in which people

Soviet officials say the move to-

ward frank treatment of Stalin.

who ruled from 1924 until his death

The attempt to set down limits tion.

on the new party drive against

"bourgeois liberalization" seems to

be aimed at preventing the prob-lems which cropped up during an

earlier campaign against Western

In 1983, when the party began a

short-lived crackdown on what it called "spiritual pollution," local

officials complied by ordering

young people to cut their hair, to stop listening to Western music

and to put away Western clothing.

From the start, the new Commu

nist Party drive against "bourgeois liberalization" has been different

from an attack on "spiritual pollu-

tion" because it is aimed much

more at Western political ideas

than at clothing music or life-

Three leading intellectuals have

recently been expelled from the

Communist Party and Chinese

sources have said that others may

paign could spread more broadly

throughout the society. Even at cul-

tural events such as Beijing's main

New Year's fair at Ditan Park.

signs over the entrances proclaim

In his speech, Mr. Zhao said the

There have been signs the cam-

styles.

he party got under way.

the slogan, "oppose bourgeois lib-The senior Chinese leader, Deng eralization."

Barry's New York Bar @

"the Buth place of the Bloody Mary"

Just tell the raxi driver "sank roo doc noo" THE OLDEST COCKTAIL BAR IN EUROPE TM.

• Falkenrum Scr. 9, MUNICH

• 5 Ruc Daumou, PARIS

Est. 1911

be expelled soon.

in 1953, is part of Mikhail S. Gor-

Soviet Union today.

lived under him.

try's past and present.

betray parents and friends.

Official Soviet Journal

Prints Anti-Stalin Poem

Islamic Jihad Develops **Split, Complicating Hostage Negotiations**

NEW YORK - A split has declandestine pro-Iranian group holding at least two Americans have had an effect on an Anglican

envoy's effort to free the captives. The group is divided between militants opposed to releasing hostages under any circumstances and others who are close to figures in the Iranian regime who wish to trade captives for American weap-

The Church of England envoy, Terry Waite, apparently has been in contact with the less strident

Islamic Jihad is believed to consist of Lebanese Shiite Moslems loyal to Ayatollah Ruhollah Khomeini, the spiritual leader of the Iranian revolution. They and their Iranian colleagues in Tehran seek to promote Islamic revolution

The group came on the scene in early 1984 when it seized Americans on the streets of West Beirut, the predominantly Moslem part of the Lebanese capital.

its demands at the time were confined to the release of 17 prisoners in Kuwait. The prisoners, some Lebanese and the others Iraqi, belonged to a Tehran-based group led by Iraqi political excles dedicated to the overthrow of the regime of President Saddam Hussein of Iraq. They were convicted of a wave of bomb attacks against U.S. and French targets in Kuwait in De-

A group calling itself the Islamic Jihad for the Liberation of Pales-

was responsible for the kidnapping Saturday of four professors from Beirut University College - three Americans and an Indian who holds resident alien status in the United States. These abductions brought to eight the number of U.S. nationals known to be held

hostage in Lebanon. Islamic Jihad is still believed to be holding at least two Americans: Terry A. Anderson, chief Middle East correspondent of The Associ-ated Press, and Thomas M. Sutherland, acting dean of agriculture at the American University of Beirut. The disclosure in recent months

of U.S. arms dealings with Iran apparently as part of an effort to gain the hostages' release stemmed in part from a power struggle between factions in Tehran government.

That power struggle has filtered Hard-liners within the group con-tend that there should be no dealings with the "great Satan," the title that Ayatollah Khomeini has bestowed on the United States.

There are reports from Lebanon that Mr. Waite, who has not been seen since Jan. 20, was taken to the Bekaa region of eastern Lebanon to meet with the two U.S. hostages. There also has been speculation that he was taken to another country, possibly Iran, where the cap-tives may be held. The kidnappers are known to move the hostages

The more moderate faction of Islamic Jihad has shown confidence in Mr. Waite as an honest broker and a convenient conduit to get their message to the Western world. The hard-liners, on the other hand, look upon him as an extension of American influence and want nothing to do with him.

■ Death Threats Issued

Islamic Jihad for the Liberation of Palestine said Thursday that it would kill the university professors in event of "any attack" by the United States, Reuters reported from Beirut.

The group issued its threat in a handwritten statement delivered to an international news agency in Beirut. It authenticated its statement with a photograph of Profes-sor Robert Polhill standing against a wall with two rifles pointed at his

The group was unknown before issued a statement Wednesday night claiming the abduction Saturday of Mr. Polhili and three other professors from Beirut University College - Alan Steen and Jesse Turner, both Americans, and Mithileshwar Singh, an Indian who has

"We announce that we will execute the four American hostages as an initial measure as soon as any attack is launched," the statement

The group apparently was reactstart anew if we shake off the ing to reports that the United States had moved aircraft carriers and other warships toward the eastern Mediterranean and northern

■ Shultz Comments

The groups responsible for the latest kidnappings in Beirut are linked to each other, Secretary of State George P. Shultz said Thursday, The Associated Press reported

Asked on a satellite news conference with reporters in Europe, Israwith whatever names may emerge, they are to a substantial degree linked together."

was read Wednesday night in the

middle of a nationwide television

On Thursday, the Guangming

Ribao, the Communist Party news-

paper for intellectuals, carried its

own commentary saying that the new campaign "must not be

dragged into the territory of ordi-

nary life and production."
"We mustn't name names or

look for people to blame at every

level," the newspaper said.

WORLD BRIEFS

intimist Conferrin

Chad Says Libya Bombed Key Outpost NDIAMENA Chad (Reuters) - Chad reported Thursday that Liby. an planes attacked Fada, a government outpost in the northeast of the country. Chadian officials also said that Libya was increasing its military

strength in the country.

Radio Ndjamena said that Libyan aircraft began bombing Fada on Wednesday afternoon. The key oasis town was recaptured by Chadian forces earlier this month after three years of occupation by Libya and Libyan-backed rebels.

The state radio added that "heavy and fierce" bombing continued Thursday morning at Fada, where an estimated 1,000 Libyan soldiers, were routed Jan. 2 by President Hissène Habrè's army. The radio accused Libya of amassing "a huge quantity of equipment and troops." for an "early onslaught." Chadian officials said there now were 13,000 Libyan troops stationed in the northern desert.

Somali Rebel to Speak About Hostages

LONDON (AFP) - The leader of the rebel Somali National Movement is to make an announcement Friday on 10 French aid workers kidnapped in northern Somalia last weekend, a spokesman for the movement, Osman Ahmed, said here Thursday.

He said the announcement by the movement's president, Ahmed Mohammed Silanyo, will "not displease you," adding, "I assure you, you

won't be disappointed."

Mr. Ahmed refused to say what role the group, which is backed by Ethiopia, had played in the kidnapping of the six women and four men, who are members of the humanitarian organization Doctors Without Borders. They were seized at a refugee camp near the Ethiopian border on

down to surrogates in Lebanon, including leaders of Islamic Jihad. Spanish Students Discussing Offer



MADRID (Reuters) - Spanish students continued a boycott of classes Thursday as they discussed a government offer to increase edncation spending, and striking teachers held talks with Edwarden Ministry officials.

On Wednesday, Education Minister José Maria Maravall Herrero offered students a package valued at \$155 million for more schools, more scholarships, free university studies for poor students and fee increases linked to inflation. However, he rejected their central demand to end university cutrance examinations. Student leaders said the offer would not stop two months of unrest, but they agreed

to resume talks Monday.

Striking state school teachers met with officials from the Education Ministry on Thursday to discuss grievances against a new professional statute that they claim would worsen their career prospects. Officials called the strike a failure, while teachers claimed a success rate of 60 percent. Schoolteachers in the private sector were staging a separate strike.

ienna Talks on Troop Cuts Reopen

VIENNA (Reuters) — The deadlocked East-West talks on cutting conventional forces in Central Europe resumed Thursday after a winter break, with both sides stating their commitment to reach at least a partial

But the 19-nation talks, which have been going on for 13 years, were overshadowed by proposals from the Warsaw Pact and the North Atlantic Treaty Organization to establish another conference to agree on

arms limitation across the continent. The Dutch ambassador to the Vienna talks, Jan Hein van der Mortel, said, "The problems which confronted the sides here and now in these negotiations would not disappear in a new forum." But both he and a Soviet spokesman, Nikolai Neiland, said any agreement reached here would form a useful basis for future talks on wider issues.

Reagan Will Veto Clean Water Bill

WASHINGTON (AP) - In his first confrontation with the Democratic-controlled Congress, President Ronald Reagan told congressional eaders Thursday he would veto the \$18 billion Clean Water Act. Leaders predicted the veto will be overridden.

The measure, which provides aid to states for building waste-water and sewage treatment plants, was passed by overwhelming margins earlier this month in both the Senate and House of Representatives. It is nearly identical to a bill passed last year and vetoed by the president after Congress had adjourned

Mr. Reagan objected that the measure would cost too much money. "I think he is probably right but he will probably be overridden," said Senator Bob Dole of Kansas, leader of the chamber's Republican

For the Record

Long Island Rail Road employees returned to work from an 11-day strike Thursday under an order signed by President Ronald Reagan, but trains on the nation's busiest commuter line were expected to remain idle

Prime Minister Jacques Chirac of France will meet with Preside Ronald Reagan on March 31 during a visit to the United States, the White House announced Thursday.

Police in Puerto Rico arrested a third suspect Thursday in the New Year's Eve hotel fire in San Juan in which 96 people were killed. He was taken to court to face charges of arson, murder and conspiracy, officials

Travel Note

Manchester airport in northern England was closed to passengers Thursday after firefighters went on strike in a dispute about pay and conditions, an airport spokesman said. Regulations prohibit passenger aircraft from operating without full fire cover. (Reuters).

Correction

The French terms for joining a new conference to reduce conventional forces across Europe — that France would be prepared to join if the talks were linked to the Vienna Conference on Security and Cooperation in Europe — were incorrectly attributed in Toesday's editions to Warren Zimmermann, who heads the U.S. delegation to the Vienna conference. The information on France was obtained from French diplomats in. Vienna and Brussels.

BBC Director Resigns Post After Spy Satellite Disclosure

LONDON - The director general of the British Broadcasting Corporation, Alasdair Milne, resigned Thursday as a controversy continued over a canceled BBC television program that revealed British plans to launch a spy satellite over the Soviet Union.

Officials at the state-chartered television and radio network said that Mr. Milne, 56, who directed BBC since July 1982, resigned for "personal reasons."

They declined to elaborate but said the deputy director general. Michael Checkland, would take over Mr. Milne's duties temporar-

U.S. Copter Crash in Bavaria The Associated Press

GIERELSTADT. West Germany - A U.S. Army helicopter on a training run in snowy weather crashed near this Bavarian town

The governing Conservative Party in October attacked the BBC. which is guaranteed editorial freedom under its 1927 charter, for an alleged leftist bias in its news and public affairs programs.

The party's chairman, Norman Tebitt, cited examples of what he called tendentious reporting in BBC coverage of the U.S. raid on Libya in April. He later rejected the BBC's response. Two weeks ago, the BBC

dropped its planned special program on the British spy satellite after the government said the broadcast would endanger national security. The program's researcher and reporter, however, gave details of the plan in a magazine article.

In an earlier controversy, Mr. Milne said in August 1985 he had considered resigning over a deci-sion by the BBC governing board to ban a documentary that included an interview with a reputed Irish

Alasdair Milne

critical of the way the publicly funded BBC in October backed down in a libel action brought by two Conservative lawmakers accused in a television program of links with extreme rightist groups.

After spending £500,000 (\$765,000) defending itself, the net-work pulled out of the High Court case, apologizing and paying dam-Many network journalists were ages and costs to the two men.

Chirac Reaffirms Economic Reform. Fight for Jobs The Assistance Press

PARIS - Prime Minister Jacques Chirac said Thursday he was determined to pursue plans to: modernize the French economy and fight unemployment.

But, after protest demonstrations and public-sector strikes # the beginning of the year, he said another priority was to give a "sec-

ond wind to social dialogue."
At a news conference after a meeting with his full complement of 41 ministers, Mr. Chirac vowed that the "coexistence" between himself and the Socialist president. François Mitterrand, "will go full term, until the next election.

Mr. Chirac and Mr. Mitterrand have been sharing power and March when a conservative coalists have been sharing power since tion ousted the governing Socialists in parliamentary elections.

This situation has led political analysis to search for any sign that the power-sharing arrangement may unravel. Presidential elections are scheduled for next year.



Anatoli B. Shcharansky, a former dissident, is greeted by Simon Wiesenthal, the Nazi hunter, and the actress Jane Fonda before receiving a humanitarian award in Los Angeles.

Shcharansky Warns on Gorbachev

By Edward J. Boyer Las Angeles Times Service
LOS ANGELES — Anatoli B. Shcharansky, the former Soviet dissident released in an East-West ex-

change of prisoners last year, has

warned that the West must not be

misled by the "public relations" image projected by Mikhail S. Gorbachev, the Soviet leader. Mr. Shcharansky, 38, who now prefers the Hebrew name Natan and the spelling Sharansky, was in Los Angeles to receive the Simon

tarian Award for what the center

Los Angeles Times Service

Zhao Ziyang sought Thursday to

set down some well-defined limits

to prevent the Communist Party

campaign against Western demo-

cratic influences from getting out

Speaking at ceremonies in the Great Hall of the People here to

celebrate the beginning of the Chinese New Year, Mr. Zhao said that

the campaign would apply only to the 44 million members of the

Communist Party, and not to the rest of China's population.
Furthermore, he indicated, the

campaign would not be carried out

in China's rural areas at all and its

effect will be restrained in factories

and other urban enterprises. The

thrust of the campaign, he said, would be "in the political ideologi-

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BEIJING - Prime Minister

called "his invincible spirit in the face of Soviet oppression."
"The danger," Mr. Shcharansky

said Wednesday night at a formal dinner in his honor, "is that the and his public relations campaign West mistakes every step Gorba-chev makes as real fundamental change. Gorbachev is very talented. He has developed the image of

being liberal." Sometimes, Mr. Shcharansky said, "it looks like the West wants to be decrived rather than analyzing what's really happening and looking at the bottom line, seeing Wiesenthal Center's 1987 Humani-

that on the question of human

usals and party leaders.
"Of course," he said, "disciplinary action will be taken, in accor-

dance with the party constitution,

against a very limited number of

party members who have commit-

ted serious mistakes showing seri-

ous consequences, and who do not

Before he spoke, Mr. Zhao was introduced to the more than 4,000

officials in the crowd by Peng Zhen, the 84-year-old chairman of

the Standing Committee of the Na-

tional People's Congress. Mr. Peng has emerged as the leader of con-

servative forces within the power

end to departures from party or-thodoxy. On Wednesday, in a

speech given front-page coverage by the People's Daily and other

Communist Party papers, he told

writers and artists they should re-

read and study the lectures given to Chinese intellectuals by Mao Ze-

In those lectures, given at Yanan,

Mao told intellectuals they should

"be oxen for the proletariat and the

masses, bending their backs to the

Mr. Peng's appeal was one of

several recent instances in which

conservative forces within the Chi-

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tasks until their dying day."

dong in 1942.

Mr. Peng has been calling for an

observe party discipline."

to create his new image of a liber-Nevertheless, Mr. Shcharansky added, there is potential for progress because Mr. Gorbachev is

concerned about the Soviet economy and "needs access to Western

rights there is not only no progress, but serious regression."
He said Mr. Gorbachev is successful "in using the Western press

technology. Change for the better can be achieved, he said, "only if the West will be very firm, very realistic."

Zhao Ziyang

nese leadership have seemed to be

developing a sort of Communist

Chinese fundamentalism, appeal-

ing to values and symbols of the

Mr. Zhao was named as acting

Communist Party leader on Jan. 16

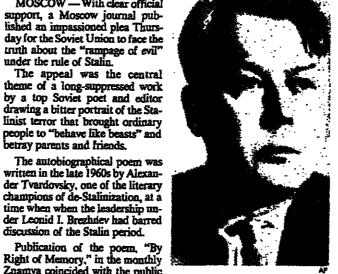
after the former party general sec-retary, Hu Yaobang, suddenly re-

signed as the campaign against "bourgeois liberalization" within

Xiaoping, did not appear at Mr.

the party got under way.

Chinese Leader Sets Limits on Drive to Curb Liberal Leanings



pentance," also dealing with Sta-lin's brutal rule and its legacy in the shackles of the past. And we can only do that if we know about it." In his poem, Tvardovsky, who meekly joined in praise of Stalin as "the father of the nations" even

> been victims of his terror. by all our beds, taught us to keep

bachev's policy of glasnost, or in the West in 1969, recounts how el and Japan who was responsible Tvardovsky himself renounced his for the recent kidnappings, he said: own father, a peasant despatched "It is our basic information that, openness, in discussing the coun-One Soviet literary figure said to a Siberian labor camp at the time Thursday: "Tvardovsky's poem



"Fear, which that wicked age put silent while evil was on the ram-

for all of us who feel we can only ture in the late 1920s.

Zhao's speech on Thursday, al-though the prime minister quoted tion" will not be allowed to turn cial news service commentary that

into a widespread political move-

ment, such as the cultural revolu-

posing bourgeois liberalization, no practices of leftist mistakes will be

repeated or will be permitted," he

said. "We will not hurt, but will

sincerely unite, the overwhelming

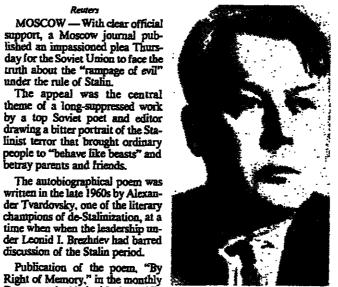
majority, including the majority of

comrades directly engaged in the political ideological field."

Mr. Zhao's speech essentially

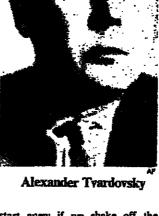
"In carrying out education in op-

could well become the rallying cry of the collectivization of agricul-



when they and their families had

page," he wrote. The poem, published by émigrés



U.S. Airlines to Receive

Antitrust Immunity for

partment has announced. Transportation Secretary Elizabeth Hanford Dole, announcing the action Wednesday, also said the agency planned to determine whether the airlines "routinely misrepresent their schedules to consumers," thus contributing to the

delays.
The department proposes to grant antitrust immunity to the airlines to permit them to conduct joint discussions aimed at adjusting schedules to reduce delays," Mrs. Dole said. "I hope this action will encourage the airlines to move some flights to less congested times and reduce delays."

An official in the department who declined to be identified by name said Wednesday that the Justice Department was not consulted on the antitrust aspects of the action. The Transportation Department has authority for the move under the Civil Aviation Act, the

'Airlines and other interested parties, such as members of Congress, consumer groups and the Justice Department, have 15 days to file objections or other comments. Then the department will have 10 days to challenge those

It is expected that the airlines' schedule talks could begin in about a month "if everything goes

The department's announcement said flight delays have in-creased substantially in the past how airline scheduling processes year to the increased frustration of the traveling public." At the 22 busiest airports, it said, 387,000 flights were delayed in 1986 compared with 295,000 in 1985.

By Lena Williams

New York Times Service

American and civil liberties groups

have condemned as "politically motivated" the arrest of nine per-

tinian group.

"Arab-Americans are stunned

Zogby, executive director of the

Arab American Institute in Wash-

ington on Wednesday. "The nine arrested face no criminal charges,

yet apparently were deemed a risk

to the security of Americans solely

because of political opinions they may or may not hold."

and a Kenyan, were taken into cus-tody by the Federal Bureau of In-

vestigation and immigration agents

in raids early Monday and charged

. The suspects, who are subject to

deportation, had been scheduled to

appear before a federal immigra-

had violated immigration laws

dealing with espionage, sabotage and public disorder. But the hear-

WASHINGTON — Triad America Corp., the U.S. hold-

ing company of the Sandi arms merchant, Adnan M. Kha-

shoggi, has filed for protection

under bankruptcy laws, a move that freezes lawsuits filed

against the firm for unpaid debts.

Mr. Khashoggi played a key role in brokering the secret U.S.

arms shipments to Iran. He has claimed that he lost \$10 million

in the transaction and that he

expects the United States to re-

In nine separate petitions filed in U.S. Bankruptcy Court

in Los Angeles, Triad America

and eight of its subsidiaries list-

ed more than \$300 million in

pay him.

on judge in Los Angeles on

esday on charges that they

and public disorder. But the hearing was postponed until Feb. 6.

One, the FBI said, was the southern California leader of the group,

Khashoggi Firm Seeks Relief

Under U.S. Bankruptcy Law

with immigration violations.

The suspects, eight Jordanians

of these arrests.

Although an estimated 65 per-cent to 70 percent of the delays were related to weather, it said, "there is increasing evidence that at many busy airports airlines are scheduling more operations at peak hours than the airports can handle in good weather." A "delay" occurs when a plane arrives or departs more than 15 minutes late.

Most large carriers, although they declined to comment on the proposal Wednesday, are expected to oppose such talks. One industry source who spoke on condition he not be identified said that when similar talks were proposed in 1984, most airlines "went kicking and screaming to the table."

"It was not in the spirit of deregulation," he said. "We did not want the government to be doing our

In the 1984 situation, the airlines opening of sked for the immunity only be. asked for the immunity only be-cause the Federal Aviation Administration had warned them that if they did not act to resolve the delay problem themselves, the govern-ment would impose flight restric-

tions at airports.

Scott Drysdale, an airline analyst with the San Francisco investment house of Birr, Wilson & Co., said such talks could easily lead to higher airline fares.

"If one can arrange airline

schednling in collusion with other airlines," he said, "that is an effective way of controlling supply and demand within the market, which is an indirect way of setting prices.

It is clearly not in the best interests of competition. If the government is concerned about congestion, a much better way to deal with the delay situation is to put airport landing rights up for bid."

Mrs. Dole said the Department

of Transportation would also investigation, which will ultimately include 13 airports that have senous delay problems, will begin with Atlanta's Hartsfield Airport.

■ Justice Explanation

after a long FBI investigation failed

to turn up evidence of plans to

commit criminal or terrorist acts,

department sources told The

Washington Post on Wednesday.

An official familiar with the in-

vestigation said FBI agents had found no information that they

were about to commit a violent

and Indian tribes. The \$100 billion "civilian waste repository," as it is known, will be the eventual home of up to 70,000 **Arab-Americans Protest** tons (63,000 metric tons) of waste so dangerously radioactive that it must be isolated in deep under-**Arrests in Los Angeles** ground caverns against leakage or deterioration for at least 10,000 years. By law, the first site is supposed to be in operation by 1998. the Popular Front for the Libera-

tion of Palestine. He was identified search last year to three sites in the WASHINGTON - Arab- as Khader Musa Hamide. The FBI U.S. West: Deaf Smith County, said Monday that seven of the nine Texas; Yucca Mountain, Nevada, were linked to the front. and the Hanford nuclear reserva-The Popular Front, led by tion in Washington state. At the sons in Los Angeles who are said to Georges Habash, is a leftist faction same time, the department said it be supporters of a militant Pales- of the Palestine Liberation Organiwas postponing its search, also rezation headed by Yasser Arafat. quired by law, for a site in the East

- Leaders of several Arab-Ameri-Until a permanent dump is by the manner in which these ar- can groups asserted that the arrests ready, the department strain in the second strain which is the department and it has a constant and the second strain in the second str rests were conducted and the bases were spurred by recent events, in to store much of that waste in a were kidnapped last weekend.
"The FBI is using the law for political purposes in support of the administration's policies in the which cut off funding for the breeder reactor project there after Middle East," said the president of years of controversy, has not authe American Arab Relations Committee in New York, Moham-

thorized building the storage site. Several members of Congress de-The Justice Department decided to arrest the Palestinians on process was not working. charges of immigration violations

"What the DOE is saying is, Oregon. "They said they need more technical information, more time to work with the states. If that's the case, then the straightforward way

is to come to Congress." But the postponement drew cautious approval from representatives of states that are reluctant finalists

for the first dump.
"It's a partial victory," said Representative Larry Combest, Republican of Texas, "in that any delay gives us the chance to try to ensure he process was carried out according to the letter of the law, which I don't believe it was."

Sahara Guerrilla Group Frees Swede, Spaniard

The Associated Press ALGIERS - The Polisario independence movement in the Western Sahara handed over the two occupants of a yacht sunk off the coast of the former Spanish colony to officials of their respective embassies, the guerrilla organization said Thursday.

A 62-year-old Swedish yachtsman, Rolf Asserback, and his tribution of the movie. Spanish companion, Maria Teresa González Gómez, 22, were picked up after a Polisario rubber canoe sank their yacht on Jan. 21. Diplomatic sources said the release occurred near the Algerian oasis of Tindouf, the guerrillas' main operational base in the fight against

In Brazil, the News Is Often One Man's Opinion

By Alan Riding New York Times Service
RIO DE JANEIRO — Every weekday evening at 7:55, at least 50 million Brazilians scattered across this huge land, including one neatly dressed 82-year-old man with a telephone by his side, watch the day's news as chosen, interpreted

zil's largest television network. As sole owner of the network, the man with the telephone, Roberto Marinho, watches with special attention. After the 30-minute broadcast. Mr. Marinho invariably calls the newsroom with comments, suggestions and complaints.

and broadcast by Globo TV, Bra-

We give all necessary information, but our opinions are in one way or other dependent on my character, my convictions and my patriotism," Mr. Marinho said in a recent interview. "I assume responsibility for everything I run."

Elizabeth Hanford Dole

U.S. to Delay

By Cass Peterson

Washington Post Service
WASHINGTON — The Energy

Department has amounced that it intends to delay until 2003 the opening of the first U.S. dump for

nighly radioactive nuclear waste

and will move ahead with plans for

a temporary storage facility at the

site of the abandoned Clinch River

which was strongly criticized by

some members of Congress, was

the latest shift in the effort to find a

final burial ground for nuclear

the postponement "to do a thor-

ough and complete job of handling

waste generated by nuclear power plants." The extra five years, it

said, would be used to conduct re-

search, meet licensing requirements

and consult with affected states

The department narrowed its

civilian power plants.

waste from more than 100 U.S.

The department said it needed

Wednesday's announcement,

breeder reactor in Tennessee.

He expects few surprises. Before the broadcast, he will already have been consulted by senior news editors on how sensitive reports should be handled. As one network reporter said, "we're pretty well attuned to his likes and dislikes." **Nuclear Dump**

With ratings showing that 70 to 80 percent of the viewing audience in Brazil watches, Globo TV is clearly a key center of power today. Yet perhaps what most distinguishes it from major networks abroad is that Mr. Marinho unabashedly uses this power politically, reaching daily into 17 million homes to adjust the picture through which most adult Brazilians see this country and the world.

"Yes, I use this power," he said in the interview at his office here. but I always do so patriotically, trying to correct things, looking for the best paths for the country and its states. We would like to have the power to fix everything that doesn't

Yet as Brazil gradually emerges beggars and peddlers. I came to from the shadow of two decades of consider Mr. Brizola harmful and

'We give all necessary information, but our opinions are in one way or other dependent on my character, my convictions and my patriotism.

- Roberto Marinho, Owner of Globo TV

military rule and as a newly elected

Congress prepares to write a new

constitution, debate is growing over whether Globo TV's domi-

nant role in shaping public opinion

is appropriate to building a more

Predictably, the strongest criti-cism of Globo TV has come from

those politicians whom Mr. Mar-

inho has opposed, most recently Leonel Brizola, a Socialist who is

the departing governor of Rio de Janeiro. Mr. Brizola attributed the

defeat of his chosen successor in

elections in November to the "elec-

tronic shock" applied to voters by

the network's campaign against his

Mr. Marinho did not dispute this

"At a determined moment, I be-

came convinced that Mr. Leonel

Brizola was a bad governor," he

said. "He transformed the marvel-

ous city that is Rio into a patio of

openly democratic society.



"If power is used to disrupt a

Editorial discontent over how news is handled appeared after the dismissal of some journalists who stayed out during a 24-hour nation-wide strike called by Brazil's labor movement Dec. 12. The strike itself

A letter, signed by "the journal-

But Mr. Marinho sees nothing

country, to destroy its customs, then it's not good." Mr. Marinho said. "But if it's used to improve things, as we do, it's good. I don't think this will much occupy the attention of the Constituent As-

was barely covered by Globo TV because, in Mr. Marinho's words, "It was not good for Brazil."

amiss in such intervention, which has involved attacking specific politicians or issues as well as emphasizing or playing down controver-

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dangerous, and I fought. I really the news editor, with a copy to Mr. used all possibilities to defeat him Marinho, said, "Defense of free-in the election." Marinho, said, "Defense of free-dom of expression was our strongest renson for joining the strike."
It added that "interference by the

> broadcasts has prevented us from informing without bias." Asked about the letter, Mr. Marinho said. "I paid it no attention." He also dismissed its assertion that growing hostility to Globo TV crews on the streets of Rio de Janeiro reflected "a crisis of credibility" in its news judgment.

company's management in news

"On the contrary," he said. "Globo has 80 percent ratings in all

Chilean Editor Is Honored

iSTANBUL - Juan Pablo Cárdenas, editor of the Chilean magazine Análisis, has been awarded the 1987 International Federation of Newspaper Publishers's Golden Pen of Freedom, the federation

INTERNATIONAL REAL ESTATE

major cities. How can you talk of a crisis of credibility when we have a larger audience every day?"

Mr. Marinho, having run his family's newspaper. O Globo, for 40 years, diversified into television in 1965. By combining artistic talent with efficient management, he gradually built it into what is today after the three American giants. cial network.

the world's fourth largest commer-Globo comprises seven fully owned stations, including those in Rio de Janeiro, São Paulo and Brasilia; six partly owned stations, and

36 affiliated ones. Globo TV has had extraordinary success in providing the sort of pro-grams that Brazilians like, above all slickly made, often sophisticated

soap operas that at times get 100 percent audience ratings. The importance of the evening news is that, sandwiched between the two main soap operas of the day, it has a near-captive audience of tens of millions. Further, although Globo TV's entertainment

programs have had enormous impact on cultural tastes here, it is the "National Journal" at 7:55 P.M. that provides Mr. Marinho with his main political clout. At the national level, he generally uses this power to support the government of President José Sar-

ney, whose right-of-center philosophy he shares. "I don't think you'll see Sarney taking the initiative to try to reduce

Marinho's power," a well-placed official said. "Marinho is too important as an ally and too dangerous as an enemy.

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terms

Carlo Cassola, Pioneer Of 'New Novel,' Dies

MONTECARLO, Italy -- Carlo Cassola, 69, whose fiction is considered a forerunner of the French nouveau roman, died here Thursday of complications following a heart attack, his family said.

The Italian author of more than 20 books, Mr. Cassola was best known for his "Il taglio del bosco" ("The Felling of the Forest"), a collection of short stories published in 1949, and the novel "La ragazza

Suit Settled

The Associated Press

BOSTON - A psychiatrist settled a lawsuit Thursday that alleged that a movie of "The Bell Jar," the novel by Sylvia Plath, defamed her nounced the department's decision by creating lesbian scenes for a as "blatantly illegal" and said it character the psychiatrist asserted demonstrated that the selection was based on her own life and relationship with Miss Plath.

Dr. Jane V. Anderson is to re-Here's what we're going to do, re-gardless of the law," said Repre-sentative Ron Wyden, Democrat of Hughes, Miss Plath's widower and Hughes, Miss Plath's widower and Britain's poet laureate, acknowledged that Dr. Anderson was "unintentionally defamed."

The settlement came as a trial into the suit was scheduled to enter its sixth day Thursday with Dr. Anderson to take the witness stand

The defendants also agreed that future copies of the movie, "The Bell Jar," would begin with a disclaimer that characters and events depicted in the film are fictional. "I feel absolutely great and I feel vindicated," Dr. Anderson said.

reached, Mr. Hughes said, "I'm glad its over." The agreement, under which the

defendants waived their right to appeal, stipulated that Dr. Anderson was falsely portrayed as a homosexual, as a person who at-tempted suicide, as someone who had encouraged another person to commit spicide, and as someone For Checks on Canopies who killed herself by hanging.

involved in the production and dis-

China Signs U.S. Contract United Press International

BELIING -- China's satellite-orbiting service has agreed to carry a U.S. satellite into space, the Xin-hua press agency said Thursday.

di Bube" ("Bubo's Girl"), published in 1960. Mr. Cassola died at his home in Montecarlo, a central Italian vil-

lage, shortly after returning from

the hospital where he had been treated since suffering a heart attack Jan. 19. Often viewed by literary critics as anticipating the French "new novel," Mr. Cassola's books are stripped of action and loaded with detail in his striving for narrative objectivity. The French literary

movement emphasized the role of the narrator in shaping novels. Galo Plaza, 80, Former Ecnador President

QUITO, Ecuador (AP) - Forto store much of that waste at a "monitored retrievable storage" fa-cility at the Clinch River site near Congress, Of Plath Book its clining and statement, died Wednesday of the Hose and statement for Hose and the congress of the congres heart failure, a spokesman for Hos-

pital Metropolitano said. The spokesman said that Mr. Plaza's pacemaker, inserted last year in an operation in the United States, apparently failed.

Mr. Plaza was president from 1948 to 1952 and later served as secretary-general of the Organiza-tion of American States. He was widely respected within Ecuador for his balanced views on politics and international issues.

Joze Zestjak, 79, a former Yu-goslavian ambassador to Israel and Austria, killed Tuesday by ice fall-ing from a roof in Ljubljana, Yugo-

Hagh M. Newsham, 72, former Paris-based overseas manager of the New York Herald Tribune Syndicate from 1953 to 1963, Jan. 26 at his home in Sussex, England. Rear Admiral Samuel G. Fuqua

87, who received the Medal of Honor for heroism during the Japa-nese attack on Pearl Harbor and indicated," Dr. Anderson said. whose story helped build the USS
After the settlement was Arizona Memorial, Tuesday in De-

art historian who wrote widely on the social context of art, Monday in

Dutch Ground F-16s

bomber aircraft for tests after the U.S. designers ordered safety checks on cockpit canopies. expected to last a few days and if

162 of the planes by 1991.

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Engineer Who Tried to Stop Challenger Launch Sues Thiokol deaths of the seven Challenger as-tronants were "criminal homi-his treatment after testifying, ac-designed to address the question of unsolved problems with the boost-By Nancy Lewis

Legal observers said that while the lawsuit might have symbolic significance, it is unlikely that

Adnan M. Khashoggi

which were filed under Chapter

11 of the bankruptcy laws, is to

give Triad time to work out a plan to pay its creditors.

where the suit was filed. company in October on a disability

"Roger feels very strongly about what happened," said Robert N. Levin, Mr. Boisjoly's attorney. "But even today, a year later, there has not been an inquiry that foOfficials of Morton Thiokol caused the explosion.

Mr. Boisjoly is one of several Morton Thiokol engineers who warned against launching the Challenger in cold weather, only to be challenged by officials of the National Aeronautics and Space Administration and overruled by Thi-

pension because of "post-traumatic agement and structural changes tial commission and a congression new contract it was stress disorder and depression were need to prevent a recurrence." nall panel investigating the shuttle booster rockets.

er's O-rings seals, whose failure

The engineers told the panels that, before the Challenger disaster, NASA and the company kept information about the problems

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Named as defendants with Mr.
Hughes, who sold the movie rights,
were 13 companies and individuals

THE HAGUE—The Dutch Air
Force said Thursday it had grounded about half of its 150 F-16 fighter

A spokesman said the tests were canopies were found difficult to operate they would be repaired. Fifteen Dutch F-16s have crashed since they entered service in 1979. The air force is scheduled to have

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Farmonnic Re Fight for John

The purpose of the petitions,

Washington Post Service WASHINGTON - A former engineer for Morton Thiokol Inc. who tried to stop last year's fatal launch of the space shuttle Chal-lenger has filed a \$1 billion damage suit, saying that the rocket manufacturer ruined his health and career after he testified before the presidential commission investigat-

Roger Boisjoly, 48, of Willard, Utah, claimed in his civil damages suit filed Wednesday, the first an-niversary of the disaster, that the

cides" committed by Morton Thio- cording to the suit. kol. The company manufactured the solid-fuel booster rockets whose failure led to the disaster.

"criminal homicide" charges will survive in the federal court here, Mr. Boisjoly retired from the

cused on who was responsible for the accident." Inquiries by the presidential commission and Congress dwelt primarily with the "technical side,"

Mr. Levin said, "what kind of man-

could not be reached for comment.

Mr. Boisjoly and another engineer who were transferred to lesser posts after they testified were later

from Congress to keep the shuttle lannches on schedule and to ensure He testified before the presiden- that Morton Thiokol would win a tial commission and a congressio- new contract it was seeking for the

Herald Tribune.

A Russian Revolution

Now Mikhail Gorbachev has turned his reformist zeal on the ultimate redoubt against change in the Soviet Union, the Communist Party. Yes, overcoming systemic inefficiency and cynicism still looks almost impossible. Yes, the West should understand that Mr. Gorbachev's call for democratization and an open society do not mean to him what they meant to Thomas Jefferson. Yet the Soviet leader's bold course makes a remarkable drama.

This week's proposed reforms are all the more striking for their circumstances. He delivered his message on party inadequa-cies to the party Central Committee itself. He called for secret, competitive elections to party offices, an unusual party conference next year to discuss rules and personnel changes and for new laws to protect journalists and citizens who criticize superiors. The Central Committee, despite rumored opposition, reportedly accepted the spirit behind the speech and many of its details, and agreed to mull over the rest.

As in any encrusted dictatorship, proposals for reform look dramatic simply for being uttered. General Secretary Gorbachev does not propose open elections. Party-picked slates and one-party rule will remain. Yet he holds the party responsible for

stagnation, and for change.
These new moves against the party go beyond his previous forays. He began with harangues against laziness, drunkenness and privilege. He has tried to breathe the fire of discipline and creativity into a corrupt and flaccid society. He has begun to pry open the gates of cultural expression. He has called upon people to question the old, propose the new and publish the unpopular, and has now begun erecting a framework of laws to protect those who do. He has opened the door to limited private enterprise at home, to individual initiatives abroad and to foreign partnerships, though the West declines this invitation until the results of his changes become clearer.

Mr. Gorbachev has even permitted an attack on the secret police itself, as evidenced when Pravda published details of a fabricated KGB arrest.

In proposing party reforms, he raises the stakes to their highest level. Even Nikita Khrushchev stopped short of secret ballots and multi-candidate elections — and lost

his job for excessive reformist zeal anyway. Why does Mr. Gorbachev persist? Probably because he believes that the restructuring he attempts is his country's only hope for overcoming its dispirited decline. Or, as he says, "the historical fate of the country and the position of socialism in the world hang on "radical reforms."

It took generations of leaders and layers of vested interests to create the dormant giant of a society that Mr. Gorbachev took over in 1985. Perhaps he cannot waken his party and bureaucratic faithful without their turning on him. But as long as he uses a method that embraces a more open society and more participation from its people, those who share these goals, however differently conceived, will wish him well.

— THE NEW YORK TIMES.

The Union Is Adrift

We set ourselves up every year for these terrific State of the Union crashes. The art form has always been 60 percent show business and 40 percent (with luck) content, more water than meat. Ronald Reagan has developed the showmanship aspects of the event to an unprecedented degree. But on Tuesday night the whole thing had become so thin and contentless as to be positively eerie. The on-cue, rigged applause from the party faithful did not help; in fact, it heightened the impression of empty staginess. The president, recently returned from his surgery and still embroiled in trouble over his incredibly destructive Iran policy, looked good, and that is good news — the only good news we could find in the event.

A word of explanation: We do not hold with that view which insisted that Mr. Reagan "apologize" to the American people in his speech for the Iran fiasco. That was a kind of set-up; in any case, some ritual remorse — even that which he did provide about the "risk" and the "mistake" and the rest — was not what was wanted from the president. What was wanted, and has been from the beginning and will continue to be, is a sign that Mr. Reagan knows what really happened and how bad it is and that he is trying to figure out how his government could have gone so far wrong and what can be done about it now. There was no sense of any of that in the speech. Whether Ronald Reagan understands and cares about what happened to him and his presidency is the big question in Washington now.

For the rest, the speech seemed largely a collection of implausible policy arguments. The defense budget is the most obvious and painful example. There was no one in that chamber Tuesday night who cannot add. "I ask you to vote out a defense and foreign

affairs budget that says 'yes' to protecting our country," the president said; and then, indignantly, "the federal delicit is outrageous"; and then, "we don't have deficits because people are taxed too much; we have deficits because ... government spends too much." In six years this president has added a trillion dollars to the national debt. His high-spend, low-tax policies have created an enormous structural deficit, whose every cure he resists even as he deplores it. Congress is doubly his victim in this; he berates it for failing to overcome him. Good work if you can get it, but how long can he expect it to last? "I think the American people are tired of hearing the same old excuses," he said. That's right.

The president spoke of new initiatives in this, his final Congress: welfare reform, health insurance for catastrophic illness. The welfare proposal turns out to be a license to the states to conduct demonstration projects. The administration is still divided on the health proposal, lest it encroach on the insurance industry. Congress was also promised shortly "comprehensive proposals to enhance competitiveness," which the president said must include greater effort in the schools. The Democrats quickly noted that he proposes to cut education funds by a fourth.

But the Democrats were not bold or compelling either. House Speaker Jim Wright and Senate Majority Leader Robert Byrd spoke for them. It was not just that they lack charisma. The strengthened Democrats are still feeling their way against the president and each other and still know what they do not like better than what they do. Their answers, too, are tentative. The government is going to drift for a while,

-THE WASHINGTON POST.

Other Comment

Reagan's Course and Resolve

The nation wants, and needs, a strong and vigorous leader at the helm through the coming two years. But President Reagan's State of the Union address Tuesday night failed to provide a plan for sailing from a murky present into an uncertain future.

The president puffed up the economic good news that he could find and mostly ignored the bad. He talked of a rare opportunity of negotiating arms control with the Soviets, but gave no inkling of how, when or where. He insists that he will not budge from his Strategic Defense Initiative, although that stubborn position is precisely

what is standing in the way of arms control. To his credit, Mr. Reagan assumed full responsibility for the Iran-contra affair, and called it his "one major regret." But he was not able to put the issue behind him with his meek vow to get to the bottom of it and take whatever action is called for. Alas. the president gave the people no indication that he yet knows just quite what went wrong with the arms-sale adventure.

Not everyone agrees with the president's policies, but everyone wants the presidency to succeed. Swift currents are at work, both internationally and domestically. A boat needs to keep moving forward in order to maintain direction. Take the hand off the tiller, and it comes up directly into the wind and stalls, its sails flapping without purpose. That is the sort of State of the Union that was presented on Tuesday.

- The Los Angeles Times.

Those who expected to see a weakened. even humble president, were disappointed. The aim of the Iran operation had been "worthy," he said, and America must not be intimidated and back away from future risks in the service of "peace and freedom."

Nor would the president deviate from his anti-communist course in Central America. where what is at stake, he said, is the continuity of American foreign policy from Har-

ry S. Truman to John F. Kennedy. Work on the SDI, the strategic defense initiative, would also "go forward." From beginning to end of his speech, Mr. Reagan resolutely sought to dissipate any suspicion that the regent can no longer reign, whether "Irangate" has broken his spell, because Congress now belongs to the Democrats or because his term runs out in 1988. But the problem remains that these three factors weaken the power of the "Republican monarch." And the Iran affair lingers on, as do the gigantic deficits in the budget and the trade balance. Will he make it? No one in the United States is yet ready to profane the Reagan myth.

-- Süddeutsche Zeitung (Munich).

Gorbachev: Subtly Dangerous

One thing cannot be said about Mikhail Gorbachev: that he is a perpetuator, a bogus reformer, a son of Brezhnev and of the ideologue Suslov. More cultivated and skillful than his predecessors, he is a charmer, and therefore more dangerous.

Whether we have a new revisionist in the Kremlin or an illuminated reformer, or a reformer forced to be one has still not become clear from his plans. His is not yet a well-articulated reform proposal. Nor is it

clear whether he will be victorious. Mr. Gorbachev's stern and decisive language should not deceive. He does not emerge from the party plenum a definite, absolute winner: He has only won a place at the starting line - and gained the indispensable support needed to do battle along more clearly defined froms.

- Frane Barbieri in La Stampa (Turin).

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OPINION

A Classic Reagan Speech, Worn Very Thin

WASHINGTON — Long before Ronald Reagan stepped to the House rostrum for his sixth State of the Union address, the political handicappers had set him a severe test - the oldest president, after surgery, look hale and hearty? Would be, after losing the Senate and letting subordinates run off with Iranian policy, seem the master of his own house?

As usual, he passed the test of appearances summa cum laude. The indices of personal respect and affection were all at normal levels.

But the president's standing as a political leader remains in doubt; and as usual the signs of erosion were subtle. There was, for instance, the jokey, almost surrealistic mood of his congressional audience, with its outbursts of untimely laughter (what is so funny about calling the budget delicit "outrageous"?) and its contrived standing ovations. And the speech. The text was old and comfortable, a magical mystery tour of good lines from past years, familiar attitudes that, like them or loathe them, have assumed a soothing predictability.

By Edwin M. Yoder Jr.

responses never vary. He is still for freedom and against tyranny, for a balanced budget and against higher taxes, for school prayer and against cynicism about the future. He is for selfreliance and against the welfare monster, for the people, against government. II, as is said, a fanatic is someone who cannot change his mind and will not change the subject. Ronald Reagan is a sort of fanatic. But as the columnist Garry Wills puts it, he is "that most disarming of political apparitions, the kindly fanatic."

Long ago, these classic Reagan views were a smooth path through the nation's consciousness, as American as apple pie or the Lewis and Clark expedition. They have far less to do with the state of the union, in any given year, than with the president's perennial and unbending sentiments about it. But after six years of reiteration, they pass like Muzak from ear to ear without meshing

with anything so prosaic as a fact.
As expected, the president briefly addressed The nation's or the world's vexations may change from year to year, and some of them, like trade deficit, may intensify. The president's whom? His use of the passive voice blurs any

again to imply that the policy was right. But he has nothing to say about the sober reckoning now apparent in the epidemic of hostage-taking and the Iranian siege of Basra, bolstered by the weapons and spare parts America supplied. This cannot be all, or even a serious part, of what the president will eventually have to say about this. It is the same in domestic policy. The president

says he will press Congress for those mechanical says ne will press Congress for those mediatine, devices — the balanced-budget amendment, the term veto — which, even if passed, would be small compensation for the intelligent fiscal policy now lacking. He promises new initiatives in health, scientific research, education and welfare — the very sectors his administration has pared to their lowest budget levels in 20 years. There

to their lowest budget levels in 20 years. There was applause, but was anyone really listening? It may be that nations, like individuals, need a robust dream life for their psychic well-being. And once again, Ronald Reagan has given the American people the state of the union as they would like to think of it. Doing so has brought political success for him and pleasant dreams for the rest of us. But after six years of this, the alarm balls are too pairs to be ignored. bells are too noisy to be ignored.

Washington Post Writers Group.

To Fight the Rising Yen, Japan Must Grow at Home

By Robert J. Samuelson

WASHINGTON — The Japanese are starting to grumble. A recent newspaper poll found that the proportion of people complaining about their lives increased from 22 percent to 35 percent during the past year. The main problem is the rising yen, which is hurting many companies. It is hard to sympathize. Japan's huge trade surplus was bound to result in a higher yen, making its ex-ports more expensive. A prudent na-tion would have prepared for the end of its export boom. Japan has not. Japan's illusion has been that it could export its way to prosperity without suffering, as most nations do, any disruptive effects from trade. The

A wrenching change is needed: the elimination of many of the heavily subsidized farmers.

rising yen is now shattering this dream. Either Japan will increase its domestic growth and imports, or a rising yen will reduce exports and cause a recession. Everyone should hope Japan expands faster at home, because a healthy world economy needs a growing Japan. But the job wrenching social change that Japan avoids: eliminating many of its heavi-

Farms now occupy land that could be better used for housing, as James Fallows argues in the January issue of The Atlantic. With land scarce, housing prices are exorbitant. To afford a home, the Japanese become huge savers. If Japan did not protect its farmers, it would import more food and have more land for housing. Food costs would drop, and housing would become cheaper. Savings might decline and, as consumption rose, the Japanese might buy more abroad.

The whole point of international trade is to raise everyone's living standards. Countries specialize in what they do best, and trade allows these strengths to be shared. By this logic — the theory of comparative advantage — Japan would long ago have stopped protecting its farmers. Instead, it maintains strict quotas

against imported rice and beef. The Japanese export obsession stems from Japan's paucity of raw materials — fuel, minerals, grains. The nation needs to export to buy these imports. By contrast, imports that disrupt existing industries are not considered desirable, even if they improve living standards. The result is national hypocrisy. "We open our markets slowly, but smugly preach free trade to the rest of the world," writes Kenichi Ohmae, head of the Tokyo office of McKinsey & Co., the consultants, in his forthcoming book Beyond National Borders."

Politically, this formula stirs resentment against Japan around the world. Economically, it is shortsighted, as the foreign exchange markets are now showing. Exports alone can-not create steady economic growth. The problem is that generating more spending at home involves difficult political choices. Some easy measures more government spending, tax cuts, lower interest rates) might help temporarily. But changes that allow the Japanese to spend more on themselves would disrupt the status quo. ing urban consestion. Consider:

• In a country where 70 percent of the land is mountains, forests or water, farmland occupies about the same amount of land as all nonfarm uses - homes, businesses, schools, parks and roads, according to Mr. Fallows. Even in cities, there are scattered rice paddies.

Last year, Japanese wholesale rice prices were six to 10 times higher than the world price. Beef prices were four times higher than in the United



● The Japanese spend about 23 percent of their disposable income on food, about a quarter higher than the U.S. share (18.6 percent in 1984).

• The price of an average new Japanese home is nearly seven times average family income. In the United States, the average home costs three times median family income, and new U.S. homes are 50 percent larger

To be fair, Japan did not create the low yen. High U.S. interest rates. leading to large Japanese investments in dollar bonds, were a major cause. Nor can anyone deny that much of Japan's export success reflects the high quality of its cars, electronics. and machinery. But the low yen could and maximizery. But never yet count not last, and the Japanese did not see that because they did not want to. A low yen fit their vision of an ideal world. By making their manufac-

tured goods more competitive, it cre-

States and nine times higher than in Australia, Mr. Ohmae said. ated jobs. Meanwhile, imports became more expensive and less came more expensive and less threatening, Japanese economic fore-casts consistently have missed the yen's rise. These errors reflect wishful thinking on a national scale.

It was precisely Japan's rising trade surpluses and its increasing overseas investments that made a higher yen inevitable. Put simply, Japan now earns far more abroad. mostly in dollars, than it wants to

for yen, push up the yen's value. Only the Japanese know all the changes necessary to produce faster growth at home. Only they can decide what kind of society they want. But they cannot have trade only on their own terms. Either they accept comparative advantage - seizing the opportunity to live more comfortably. but abandoning their least efficient industries - or suffer slow growth and continuing trade conflicts.

The Washington Post.

The Furor Around an Agency That Chun's Brother Ran

WASHINGTON — The transcript of South Korea's National Assembly, which is not published but can be consulted in the Assembly library, is replete with angry exchanges over the secrecy sur-rounding the financial records of Saemaul, the public works program formerly headed by Chun Kyung Hwan, the president's brother.

On Aug. 26, 1985, an opposition deputy, Kim Tong Choo, cited Finance Ministry data indicating that Saemaul had received \$475 million over a four-year period.

He demanded to know "why the General Accounting Office has not audited these funds even once, and why this assembly is not given the slightest accounting." Another opposition deputy, Kim

Jong Bo, pointed out that the difference between the import cost and the domestic distribution price of beef cattle totaled \$542 million from 1980 to 1984, and \$80 million in 1983 alone. Fisticuffs occurred in a committee meeting when Mr. Kim asked where the money had gone.

Beyond questions of misappropriated funds, allegations have been made that Saemaul has put the muscle on businessmen. Another deputy, Park Youg Man, declared in the Assembly that "small businessmen and civic leaders in the countryside are taking out loans in order to pay 'voluntary' contributions to Saemaul."

Hyun Hong Choo, the spokesman for the ruling party, denied allega-tions that Saemaul funds had been misappropriated. He said that, "Corruption is a problem, but the president is dealing with it."
"Little Chun" left Korea last Au-

gust, nine days after a nightclub attack in which one gang allegedly killed four members of a rival gang with fish knives. At first, several newspapers hinted that high officials had links with the leader of the victorious Mokpo gang, Chong Yu Sop.

Then Ye Chun Ho, a leader of the former ruling party, said the presi-dent's brother had given a land reclamation contract to a construction firm controlled by Mr. Chong and had strolled with Mr. Chong after a Saemaul ceremony in Shinan. Mr. Hyun denied that the presi-

of organized crime. Mr. Ye said in an interview that Mr. Hong had recruited his men from the Seoul Judo School. He said that the president's brother had used By Selig S. Harrison

This is the second of two articles.

heavily subsidized college.

The nightclub murders occurred on Aug. 14. On Aug. 23, Chun Kyung Hwan resigned as Saemani director and left for the United States. The government announced that he had been chosen to participate in a rural development seminar at Harvard's Kennedy School of Government. Opposition leaders said the real purpose of the academic arrangement was to get him out of the country.

Chun Kyung Hwan returned to Seoul in late December, Various ef-

his influence to elevate the school, his alma mater, to the status of a The Korean Embassy in Washington said that the allegations about Chun Kyung Hwan "are simply lies with no basis or truth." Apart from the corruption issue,

other even more important factors account for the growing strength of the opposition. Archbishop Kim Sou Hwan, a prominent critic of the regime, says that the big conglomerates have prospered at the expense of small business, farmers and labor. Fifteen million urban workers,

prohibited from organizing free

Deng Has 'Killed the Monkey'

By Carroll Bogert

trates a time-honored political tactic of frightening one's main opponent by attacking those around him.

But Deng Xiaoping, in dismissing Hu Yaobang, the Communist Party general secretary, has killed the mon-key. And a lot of chickens in China are going to be very, very nervous. The chickens in this case are the

intellectuals on whom China's modemization depends. They took heart last year when top party officials, led by Mr. Hu, called for more creativity, more criticism of mistakes, more openness. Many intellectuals believed their government really wanted, in the phrase Mao used 30 years ago, to let a hundred flowers bloom, The success of economic reform

hinges on good new ideas. Adroit management is needed to invigorate and redirect the nation's outmoded economy, and Mr. Deng knows it. He has always sought to give intellectuals a greater voice - but he no longer likes what they are saying.

Mr. Hu had protected several of

China's most famous intellectuals. His ouster indicates how deeply oldguard conservatives resented the free dent's brother had any ties to leaders speech that was beginning to threaten Communist Party authority. Intellectuals, defined by the Chi-

I ONG KONG — Recent events democracy. And some older intellection the old adage, "Kill the chicken to scare the monkey." The proverb illustrated by the party's stranglehold on trated by the party's stranglehold on the economy, have been vociferous supporters of democracy.

Chinese intellectuals are not like their Soviet counterparts. Historically, they have played a Confucian role as government servants and advisers to the emperor. They tend to remain loyal to the state even if the regime in power does not favor them. Chinese dissidents are a relatively rare phenomenon, and in the West there is no group of disaffected Chinese compatable to the Soviet émigrés.

Cynicism, however, is on the rebound now. Men whom intellectuals admire, like the journalist Liu Binyan and the think-tank director, Su Shaozhi, are being attacked again. Their fall is another bad sign for the country's frightened chickens.

The fighting between reformers and conservatives is not likely to become full-scale warfare, as during the Cultural Revolution, but it will vastly complicate the task of governance. And Mr. Deng has no designated successor now that Mr. Hu is gone. He and Zhao Ziyang, the inter-im party chief, face an uphill battle in continuing economic reforms. They need the intellectuals' support to do so; they are no longer likely to get it.

nese as anyone with a high school education, are a diverse group. But Newsweek in Asia, contributed this the younger ones clearly want more comment to The Washington Post.

college enrollments have burgeoned. so has unemployment among the educated. A new middle class is seek-ing greater political participation. Another significant source of opposition support is a deep-seated nationalistic upheaval resulting from the division of Korea and the extent

of the South's foreign dependence. Calling on historical memories of Korea's national identity, opposition leaders maintain that Chun Doo Hwan has repeatedly bypassed opportunities for greater contact with the North. Also, recalling Japanese colonialism, opposition leaders un-derline the South's growing foreign debt (\$47 billion, as against \$26 bil-lion in 1980), primarily to Japanese and U.S. banks, and its overwhelming reliance on exports to shaky Japa-

nese and American markets. At bottom, the most powerful dynamic behind the growth of the opposition is a popular desire to end 25 years of military rule.

The corruption issue does not excite Koreans for moralistic reasons. It has become a critical weapon in the struggle for a democratic constitution precisely because it has emerged as an increasingly credible symbol of the arrogance of authoritarian power.

The writer is a senior associate of the Carnegie Endowment for International Peace and former Northeast Asia bureau chief of The Washington Post.

A Letter: What About My Friends?

Haig as

Harriston Carry

្រូវជាក់ដែ^{ក្រុ}ំនេះ និងមា

Charles of the leaf way

By Elie Wiesel

DEAR Mr. General Secretary,
This plea is for my friends Viadimir and Masha Stepak. They are
fine, decent and kind people. Their
kindness is contanious, as is their
sense of humor. They are not enemiss of the Soviet Union. Indeed, they are enemies of no cue. All they want is to be reunited with their children. Is that too much to ask?

that too much to ask?

I have known Volodia for some 17 years, since he first applied for an entry visa to Israel. Through his sons and friends, we have remained in con-stant touch. This was not always easy. Vladimir, you see, has been moving around somewhat. Arrested in 1978 for "hooligamsm." he spent five years in Siberia. And so we could not get together when I came to Mos-cow in 1979. I looked for him, I asked everyone I met about his where-abouts. The answer was always the same: He is not here, he is away. That was all. But he knew I was in Mos-cow. He knew I asked about him. You will be surprised, Mr. General Secretary, how well informed some

people are in your country.

Then last October, my wife and I saw the Stepaks. We spent every free moment with them. We laughed together and sang together. Yet, they are unhappy—and therefore so are we. Why don't you allow them to leave? I cannot believe that they are so important to you that you want them nearby. Let them go. You will not only make them and their sons and families happy; their friends all

over the world will rejoice. While I am at it. I would also like to plead on behalf of Ida Nudel. She too is a friend of mine, a dear friend. This marvelous, exceptional woman has suffered enough. Arrested in 1978 for "malicious hooliganism," whatever that means, she completed four years of internal exile. She now lives in the Moldavian city of Bendery and yearns to join her sister in Israel. What possible dangers could her departure present to the Soviet Union? Please, Mr. General Secre-

tary, let her go: you will not regret it.
When I was in Moscow last October, I pleaded for Andrei Sakharov's return to Moscow. Surely you received similar pleas from many visitors. We could not understand why a humanist such as Dr. Sakharov should not be allowed to live among his friends, in familiar surroundings, in his home. We found his situation intolerable, and we said so. You were kind enough to listen, Now, Dr. Sakharov is back in Moscow. But what

about our other friends? What about Zakhar Zonshein who is still in prison in Ehitit-Bulagatski, in the Irkutsk region? We know his Riga. Her loneliness is heartbreaking. She and her husband harbor no hostility toward their native country. Their only desire is to rebuild their home in Jerusalem. That is their only dream. Please let them have their

dream, Mr. General Secretary. Wait I have other dreamers, Joseph Begun, a Hebrew teacher, an extraordinary man of vision and courage. He should be teaching students; instead, he sits in Chistopol Prison. His wife, Ina, is so thin, so sad, she seems like her own shadow. Is teaching Hebrew such a serious crime that "offenders" should go to jail for a cruel 12-year separation?

Is practicing one's religion so grave an offense that it warrants three years in labor camp? Then why has Yuli Edelsdhetin been sentenced to precisely such a prison term? Poor Tanya. Yes, that's his wife. She, too, is our friend — as are Victor Brailovsky and Joseph Bernshetein, Vladimir Prestin and Alexei Magarik, Leonid Volvovky and Alexander Khom-niansky, and 3,000 Jewish families, all refuscniks, whose only "sin" is to wish to live amony people they love

instead of among people they fear.

They are all our friends. That is why I address this plea to you on their behalf. And we, their friends in the West, shall continue pleading until they are all reunited with their families. Anything else would make us unworthy of their friendship and their brave and noble stubbornness. Please, Mr. General Secretary, let

them go - for their sake and others. The writer, winner of the 1987 Nobel Peace prize, is an author, lecturer and teacher. He contributed this comment to The New York Times,

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited monuscripts.

1937: Moscow Trial Ends

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: A Hudsonmobile TARRYTOWN, New York - Fred Kocnig, who drove an automobile across the Hudson recently, was out on the ice again [on Jan. 16] with his machine, and travelled from Ossining to Irvington, racing trains. Mr. Koenig had a spirited race with an express from the Tarrytown station

to Miss Helen M. Gould's dock, and all the passengers in the train eagerly watched the sport. He easily beat the train and was loudly cheered by the passengers. Mr. Koenig paid a visit to the keeper of the Tarrytown lighthouse and then drove up to Ossining, where he entertained the convicts in Sing Sing Prison with displays of speed. "Gee, what a getaway we could make with that!" called one of them. Mr. Koenig tried to cross to Piedmont, where a tug lies aground, but he could not drive his automobile over the piles of broken ice.

MOSCOW — The Supreme Military Tribunal passed death sentences on 13 out of the 17 defendants in the treason trial [on Jan. 30]. Karl Radek and Gregory Sokolnikov were each sentenced to ten years' imprisonment. Those condemned to death will be executed within 48 hours. [On Jan. 29] Radek stood unrepentant, serious and nervous in the witness box making his last speech. "After I admitted treason to the fatherland the opportunity of making a speech in my own defense is excluded, Radek began. "No argument can be found to defend treason. I connot find any ex-tenuating circumstances. I canaon even say that Trotsky misled me. I was an adult. I followed Troisky because I did not see any other group which I could join in its views: I joined in Trotskyism voluntarily and will take full responsibility for it."

OPINION

Haig as an out of A Lot of Talk, and More By George F. Will Alawander Haig Mr. Haig said Mr. Reagan's options on "surrealistic"

English language, making it twist and stretch. He is the only U.S. presidential candidate who could accuse the State Department of "Cheshire-catting." That enchanting participle suggests that the department is receding, smiling, from the scene of President Reagan's distress.

. Mr. Haig certainly is not running as an uncritical Reaganite. Most people with an eye cocked toward the presidency try to be as agreeable as puppies. Mr. flaig is a built errier. Even as puppies, built terriers are not puppy-like: Sensible people think twice before petting them. Mr. Haig says the lack of discipline in foreign policy that produced the Iran debacle is becoming worse as

Haig's name recognition is high. Republicans are responsive, but it is hard to imagine him waxing

eloquent about soybeans.

the State Department pursues its own agenda, which includes any obtainable arms control agreement. Mr. Haig worries (he is the "bad news bear" of American politics) that a dangerous agreement may be made to seem palatable by cosmetic Soviet accommodation on Afghanistan and a trivial Soviet con-

cession about SDI testing.

President Reagan, says Mr. Haig, is "utopian" but not foolish; he listens to advisers. But Mr. Haig thinks George Shultz and Paul Nitze are dangerously ardent for an agreement. He describes as "naive in the extreme" Mr. Reagan's idea of eliminating nuclear weapons.

The discussion [at Iceland] of a world devoid of nuclear weapons - and there was such a discussion despite the equivocation that followed the postmortems - may be the most serious misjudgment by a president since World porters, "They say they're for him—then apologize for it." He says, "I'll take threshold of the consequences of some on any of them [the other candidates] in

Caveat," his memoir of his stormy 18 months as Mr. Reagan's secretary of state, he says, "is especially good if you read it today." He then, characteristically, goes too far: "I think you'll see I predicted all this." But he did describe the White House as "mysterious as a ghost ship: You heard the creak of the rigging and the groan of the timber and sometime glimpsed the crew on deck. But which of the crew had the helm?"

Today he recalls, "I'd say, Why did you send me this memo? and he [Mr. Reagan] would look at it and say, What memo? I never saw it before.'

Mr. Haig said Mr. Reagan's optimism may be taking on "surrealistic over-tones." He sees "fiscal flabbiness" in the president's reluctance to use the veto. Mr. Haig goes further than any prospective Republican presidential candidate in criticizing the president.

His confidence is grounded in experience: General MacArthur's headquar-ters in Tokyo; NATO's staff in the 1950s; Pentagon and Vietnam combat in the 1960s; deputy to Henry Kissinger and then chief of staff in the Nixon White House; five years as supreme allied commander in Europe; president of United Technologies; secretary of state.

Mr. Haig is a serious man with his mind on the most serious matters. However, as he tries to become only the fifth man to make the presidency his first elected office (the others: Grant, Taft, Hoover, Eisenhower), he faces the prob-lem that his expertise is in foreign po-licy. Elections almost never turn on that, and it is hard to imagine Mr. Haig wax-

ing eloquent about soybeans.

Furthermore, after examining the handiwork of Vice Admiral John Poindexter and Lieutenant Colonel Oliver North, Americans are apt to be even more eager than usual to keep politics and the military in separate spheres. The last military man to seek the presidency, Dwight Eisenhower, was disarmingly ci-vilian in his demeanor. Mr. Haig is not.

However, as he prepares to run, Mr. Haig is not, as he might say, ad-hocing. His political-action commit-tee has disbursed \$600,000 since July. His name recognition is high. He gives speeches that touch most Republican erogenous zones (although he believes that conscription and higher taxes prob-

ably will be necessary). He says a Republican candidate must win non-Republican votes, which is a banality. Then he says something star-The Teamsters have told me they'll back me and won't back any other Republican." He dismisses George Bush as a "do-nothing lackluster wherever he sai." He says of Bush supof the pie-in-the-sky rhetoric that a debate," then adds: "Now, I don't emerged in the dialogue of the summit." want to sound too braggadocio."

Although he is impeccably tailored, he always seems to be wearing a suit a size too small: Such is his intensity, he seems to be bursting the seams. This day, he is wearing a natty, boldly chalk-striped suit: Damon Runyon does Wall Street. His breast-pocket handkerchief is a reproach to the inkstained wretch who marvels at the workout the English language is going to get in the candidacy of a man who has said, "I do believe the field is wide open, but I think it's premature now for such postoring in a definitive way."

Washington Post Writers Group.



Soviet Past Says Otherwise

The opinion column by former Defense Secretary Robert S. McNamara, "Toward Nuclear Sanity: A Plan for Minimal Deterrence" (Jan. 24), shows

the effect of divorcing defense and for-

eign policy prescriptions from any and all sense of Soviet history.

History tells us that communism was

capitalist nations. How likely is it that

the Russians will give up, or even scale

back the arms race — the only aspect of

the competition in which they have proven to be the West's equals?

The way out of the arms impasse is

not by dealing with symptoms, but with root causes — the totalitarian nature of

the Soviet state and its resultant behav-

ior at home and abroad. Until these are

changed, there is no hope for arms con-

A Bet Against the Mullahs

The Reagan administration is criti-

cized internationally for having at-

tempted, in pursuit of its strategic inter-

ests, to establish a dialogue with

pragmatic elements in the Iranian re-

gime. This is unfair when Britain.

ANTHONY W. MORO.

trol worthy of the name.

mmit Leaders Vow to Push

or an Economic Recovery

What TV Brought Home Was Not the War

WASHINGTON — People keep telling me, "You should see Flatoon." They say, "I'd love to know what you think of it."

I was a marine in Vietnam. Every time there's a big new movie about Vietnam.

people tell me I should go see it.

They tell me I should read novels, memoirs and magazine articles about Vietnam, too, and see the documentaries and television shows, and tell them what I think. They have been telling me this for 21 years, ever since I got back. "You really should read what The Times had to say about the Tet offensive," or "You should see 'The Deer Hunter," or "You should be watching this Vietnam series on ABC. I'd be curi-

ous to know what you think of it." Why? My father was in World War IL, but I don't remember anybody telling him that he really should see "The Sands of Iwo Jima" or read "Catch-22."

He was interested in the war - he loved "Mr. Roberts" and "Victory at Sea" — but I don't think anybody gave him lists of suggested reading the way they've given them to me for half my life. It is often men who missed the war who do this. They are not looking for catharsis, tribute or memorial, like Vietnam veterans; they seem to be looking for reality, the war itself. Do they think they can find it in a movie? Male or female, I'm talking about the

Syrian Golan Heights and the oppres-

sion of Palestinians and Lebanese under

It was Israel that introduced noncon-

League of Arab States Office.

The U.S. State Department's decision

to ban travel by Americans to Lebanon represents a curtailment of individual liberty reminiscent of totalitarian states.

It would have been sufficient to an-nounce that those U.S. citizens who

travel to Lebanon do so at their own risk

and have no recourse to eventual assis-

ADNAN EL-AMAD,

ventional arms to the region, including

the ability to produce atomic weapons.

Israeli occupation are some of the fac-

tors that create a "war situation."

By Henry Allen

crowd that got important from the mid-dle 1960s to the middle 1970s — lawyers, college kids, journalists, academics, dinner-party hustlers.

They had enough clout to stay at one remove from reality and the draft board. and enough money to protect their naiveté, which is an asset of any ruling class. They believed life is what you think and feel. They wanted to be hip. They smoked marijuana even if it

made them anxious. They saw a lot of

MEANWHILE

movies and believed in the media. They were the people who come to mind when somebody says that art is the religion of the upper middle class.

I was among the first men back from Vietnam, so I assumed they would have lots of questions for me. They didn't. They would squint at me for a while, like physicists studying a stray decimal point in an equation. After a while, they would tell me about Vietnam - the books they had read, the columnists they

favored, the movies they had seen.
"I was there in 1966," I'd say. "Have you read 'Going After Cac-ciato?" they would say. "I'd be interest-

ed to know what you think of it."
I was no expert on Vietnam. I'd been a corporal on a pacification team in Chu Lai for three or four months before my enlistment ran out.

Days, we won the hearts and minds of the South Vietnamese people. Nights, would catch a little carbine fire

and the occasional grenade.

I supported the war because the best and the brightest said they thought we could win it. Later on I changed my

mind when I saw they had been lying. For the war or against it, these people who stayed at home meant well. Right after I got home, the curate from my parents' church stopped by to visit. He was fresh out of Yale Divinity

School and very concerned about the war. He wanted to know how the guys in Victnam "felt" about it, "I don't understand," I said.

"You know, when they talk about the war, what do they say?"
"I don't understand," I said.

It turned out he wanted to know our moral positions on the war. I told him we had been too busy to have any. He could not grasp this. He seemed to have a picture of us debating ethics and

geopolitics under the mortar flares. Maybe he had gotten that idea from a book, like "The Naked and the Dead." A future lawyer told me I was not on a acification team in Vietnam.

"Why not?" I asked him. "It's a contradiction in terms."

They meant well. I've wondered if it was like this for blacks back when white liberals would start talking about reading James Baldwin, or going on a pover-ty-agency bus tour of a New York slum; back before the black-power movement

told them to sit down and shut up.
"They meant well" is one of the worst things you can say about anybody.

The media coverage of Vietnam meant a lot to these people. They were concerned citizens. They told me that television was "bringing the war into America's living rooms." They wouldn't go to a foreign movie dubbed into English because it was not authentic, but they thought they could know what a war was like by watching television.

They told me that I should read the stories in this or that newspaper. They talked as if these stories made a hugi difference. So I read them.

These were stories about how the ambassador contradicted himself in a press conference or navy jets screamed north for the ninth straight day. They were not about the war, they were about officers and politicians keeping their jobs, as fai as I could see. This was sad.

If ever there was an enlisted man's war, it was Vietnam; but the media with exceptions like Michael Herr and Jimmy Breslin - kept hanging around the officers. You get better quotes from officers, and mixed drinks with ice. And the higher the officers get, the

more their war is like something you can discuss during a dinner party — a theory, a movie of sorts. Then the movies started coming out

— "Apocalypse Now." "Coming Home." "The Deer Hunter." People said I should see them. They wanted to know what I thought, so I told them.

"But it's such a good movie," they would say, "How isn't it like Vietnam?"

I would try to explain that it was just a movie, colored light on a screen. It was not that these folks could not

tell the difference between a war and a movie; they didn't want to. They went to movies the way some people go to church. When they liked what they saw, they wanted me to tell them that art's truths were The Truth — the war itself. In their way, they wanted to be veterans, too. They had field jackets, marches. One slogan said: "Bring the war home."

This was as silly as saying that television put the war in America's living rooms; but as Kurt Vonnegut wrote in one of the most oft-quoted lines: "You are what you pretend to be."

Now we've got "Platoon." A young man who was in grade school when I was in Vietnam tells me it is "authentic." Time magazine published a cover story about it, and the headline said: "Vietnam as It Really Was." This is silly and decadent, this willful

confusion of life and art. And it is dangerous. War is too wildly stupid, glorious, hideous, huge and human for us to think that art can tell us what it really is. War is a little like God — when we

start thinking that we understand it, we are heading for trouble. I'll probably see "Platoon," but I can tell people what I think already - that

The writer is an editor of the Outlook section of The Washington Post.

it's a movie. I hope it's a good one.

born as an alternative to Western capi-talism, and that the Soviet regime dewho seek to see forces of moderation prevail over the destructive clique of muliahs who have sacrificed thoufines itself in terms of competition with Travel Ban Goes Too Far (and the historically ordained defeat of) sands and threatened world peace to

LETTERS TO THE EDITOR

France and the Soviet Union have done

the same without being condemned.

To supply Iran with arms to achieve

this aim, resulting also in the release

of U.S. hostages, was indeed, as Presi-

dent Reagan has said, a "high-risk gam-ble" that failed. However, he should

In the long run, the initiative could

MORAD KHAVARY.

not have been to the detriment of those

not be emcified for it.

ensure their own survival.

War Is a Matter of Policy

Gideon Rafael's warning that Israel and Syria are heading for a war in which nonconventional weapons will be used is misleading. ("Syria and Israel: Too Near the Brink of a New War," Jan. 15.)

The article neglects the real threat of war inherent in Israeli policy, which caused three Middle East wars (1948, 1967, 1973) and an Israeli invasion of Lebanon (1982). It also fails to touch on the cause of the explosive situation in the Middle East: Israel's refusal to implement United Nations General Assembly and Security Council resolutions to solve the conflict by peaceful means. Jewish settlements on Arab land, Israel's annexation of Jerusalem and the

VERONICA MELVILLE. Nice, France.

tance from the U.S. government.

How Antarctic Seasons Go The caption under the Greenpeace

photo in your Jan. 20 edition says, "The truck and other debris await the spring thaw to find a resting place in the Antarctic Ocean." Unless I am mistaken, it is the middle of summer in Antarctica. MICHAEL STRATTON.

Neuilly-sur-Seine, France.

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Tambo Urges Shultz To Press West Over **Sanctions on Pretoria**

By David K. Shipler

WASHINGTON - Oliver Tambo, the head of the African National Congress, has called on Secretary of State George P. Shultz to use U.S. influence to press other Western countries to impose economic sanctions on South Africa at least as strong as those enacted by Congress over President Ronald

Reagan's veto.

Emerging from a 50-minute meeting with Mr. Shultz on Wednesday, Mr. Tambo said he had also urged a broadening of the American sanctions.

The meeting marked the first time any U.S. secretary of state had met with Mr. Tambo, whose organization is banned by the Pretoria authorities. The ANC is seeking black-majority rule in South Afri-

It also was an indication that the United States recognizes the organization as a central factor in the South Africa struggle and is willing to engage in discussions with it.

Although Mr. Shultz's stated purpose was to explore the possi-bility of an American role as a broker in the South African conflict. State Department officials acknowledged that the meeting was largely symbolic and, in part, an effort to defuse criticism of U.S. policy by black African leaders.

The State Department did not allow news photographers into the session, although an official State Department photographer took pictures. Charles E. Redman, the State Department spokesman, said that it was not customary for news photographers to be present during meetings that did not involve foreign ministers or other foreign officials. But it is not unusual for photographers to take pictures before or after such sessions.

Mr. Shultz held the meeting amid criticism from conservatives, who have condemned the ANC as a pro-Soviet terrorist organization. The secretary addressed these two issues at the outset of the discussions, according to Mr. Redman. He said that Mr. Shultz had "laid out our concerns about the degree of Soviet influence in the ANC" and the group's use of violence.

Mr. Tambo, who makes his headquarters in Lusaka, Zambia, called it "a very serious and sub-stantive meeting." Mr. Redman used the same characterization.

"We found there was a large area of agreement on the nature of the apartheid system, on the need to abolish it," Mr. Tambo said, "and we are considering together the ways of achieving this." He criti-cized the Reagan administration's under which Washington has sought to exert quiet pressure on

Dutch Chemists List

Mercy-Killing Drugs

The Royal Dutch Pharma-

cists' Association plans to issue a list of drugs suitable for use in

the mercy-killing of terminally ill

The list is meant to help the

group's 1,700 members advise

doctors on what drugs to use for

quick and painless death. The Dutch Health Ministry said that

issuing such a list was not against

Although euthanasia is illegal

in the Netherlands, doctors ad-

mit to helping more than 5,000

suffering patients die each vear.

prison term. courts usually give

suspended sentences to doctors

who have been convicted of per-

forming cuthanasia when it has

been done at a patient's request

and after consulting the patient's

Many physicians have called

Two weeks ago, the Dutch

government said it did not in-

tend to legalize "active" eutha-

nasia in which lethal drugs are

But the government said it

would set legal guidelines for ex-

ceptions to the ban, as well as

permit "passive euthanasia" -

allowing doctors to withhold

life-prolonging measures for the

used to cause death.

terminally ill.

for a code that would set legal

standards for mercy-killing.

family and other doctors.

Despite a maximum 12-year

South Africa, as "unhelpful" in combating apartheid.

Mr. Redman emphasized the

secretary's desire "to work with all of the parties, to bring them together so they can start talking." The South African authorities have refused to negotiate with the ANC.

The session with Mr. Shultz comes at a time when relations between Washington and Pretoria are at a low point and American influence with the South African government appears practically nonex-

In an unusual show of force, dozens of uniformed policemen were starioned in and around the diplomatic entrance to the State Department, and the adjoining street was closed to traffic along the full length of the building.

Mr. Shultz's decision to meet

with Mr. Tambo drew strong criticism from the Conservative Cancus, which condemned the ANC for both its use of violence and its ties to the Soviet Union. Bob Dole of Kansas, the Republican leader in the Senate, said Tuesday that he

During his visit to Washington, Mr. Tambo endorsed the use of violence in the struggle against

"Apartheid is inherently a prac-tice of violence," he said Tuesday in a speech at Georgetown Univer-sity. "We choose not to submit but to fight back, arms in hand. We have no alternative but to intensify our armed resistance because, as says, in the face of systematic tyranny, it becomes a duty and a right African Press Association reportto take up arms."

■ R.F. Botha Sees Gains

Foreign Minister R.F. Botha of South Africa said Thursday that Mr. Tambo's meeting with Mr. Shultz had inadvertently heightened American public awareness of the ANC's commitment to violence and ties to communism, The Washington Post reported from Cape

Citing U.S. State Department ANC's use of violence and links to nizations. Moscow, Mr. Botha said the trip ironically could bolster South Afri-

The foreign minister said in an interview, "It would have cost us millions in propaganda to show how the ANC is committed to violence and terrorism and has direct links with Moscow, and even then we would have not got the same

pening now is that at least some important segment of the Ameritice to any person and without "constructive engagement" policy, can public is taking a look at this hearing any person ... prohibit any organization, and asking itself publication, television recording, what does it stand for?

EUROPEAN TOPICS

THREE-DOG PLIGHT — Muzzled and muffled Afghans charging across a frozen

lake at the Swiss resort town of Arosa, in what was billed as the first race by that breed.

Turkey will allow individual cit-

izens to lodge complaints with the European Human Rights Com-mission, an investigative body of

the 21-nation Council of Europe.

The decision was announced

days before Turkey took over the

one-year presidency this week of the Parliamentary Assembly of

the Council of Europe. Last year,

five West European countries

dropped a complaint against

Turkey with the commission,

which is based in Strasbourg,

France, after Ankara promised

to improve human rights condi-

tions. Malta and Cyprus are now

the only member nations that do

not permit individual complaints

to the commission. A govern-

ment spokesman said Turkey

also hoped to lift martial law this

year in five southeastern prov-

inces despite ongoing clashes

there between the army and

Italy's Constitutional Court

has ruled that men can take pater-

nity leave from work in certain

cases after the birth of their chil-

dren. Fathers who are widowers

or whose wives are seriously ill

may take three months leave at

80 percent of their salaries to

take care of infants. And they

may take a further six months

unpaid leave, with a guarantee of

retaining their job, after the ini-

tial three months. In most West

European countries, paid pater-

nity leave amounts to less than

Kurdish separatists.

Around Europe



feared that the session would be

Black supporters cheered Ronald Watson on Thursday after he was acquitted of arson in a
seen as showing approval for ter
trial that split the city of Port Elizabeth, South Africa. His brother Valence was convicted.

South African Police Are Granted **Wide-Ranging Censorship Powers**

IOHANNESBURG — The government gave the commissioner of police wide-ranging censorship powers Thursday night, the South

The independent news agency quoted from a Government Gazette containing new emergency press restrictions issued in response to a Johannesburg Supreme Court ruling earlier in the day.

The court invalidated an earlier order by the police commissioner, Lieutenant General Johann P. Coetzee, saying he exceeded his authority by imposing a nationwide ban on newspaper reports and adexpressions of concern about the vertisements about outlawed orga-

The agency quoted a media law-yer, Paul 'enkins, as saying that the ca's case for not negotiating with new order makes it arguable wheth-the black nationalist organization. er press freedom still exists in South Africa

The new powers were given to General Coetzee under stricter press restrictions issued Dec. 11. The new regulations say:
"The commissioner may, for the

purpose of the safety of the public, the maintenance of public order or He added, "I think what is hap- the termination of the state of film recording or sound recording

one week. But in Sweden, either

parent can take up to a year's

90 percent of salary and the re-

maining three at a daily allow-ance of 60 kroner (\$9.20). The

leave may also be taken up in

shorter periods stretched out

over the child's first four years.

The Belgian government is preparing a bill that would ban smoking from public places such as theaters, schools, government

offices and waiting rooms as of February 1988. The bill is ex-

pected to go to the legislature within the next few months. Offi-

cial figures show that the number

of smokers over age 24 among

Belgium's population of 10 mil-

in 1982 to 35 percent today.

lion has declined from 40 percent

The British flea is almost ex-

tinct, the British daily The Inde-

pendent reports. Its place has

been taken by the cat flea, which

s "not really British," according

to Dr. John Manoder, a Cam-

bridge entomologist, because

like the cat it comes from the

Middle East." The cat flea has

become the commonest flea,

even on dogs. True human fleas

and dog fleas thrive only in cool,

damp conditions, Dr. Maunder

said, but the cat flea loves mod-

ern comfort, like central heating.

However, it dislikes human

blood and dines on people only if

-SYTSKE LOOLJEN

eave, the first seven months at

advertisement on or in connection wide. with any matter specified in the order, to be published."

The new powers for the police commissioner are inserted into the regulations President Pieter W. Bo- terrorist organizations whatso- lenged by the refusal of Colonel tha issued in December, which themselves severely restricted or of law and order, said in Cape banned reporting on unrest, security force actions, treatment of detainees, most forms of peaceful protest and a broad range of statements the government considers

Those December orders are the subject of a challenge in the Pietermaritzburg Supreme Court in Na-The new regulation appears to

give the police commissioner the power to determine what matters are subject to the existing regulation on "publication control."

The president's authority to diest certain emergency powers on the police commissioner and other subordinates has been challenged previous court cases. In some, courts ruled there are some powers that Parliament meant for only the president to exercise, and not to delegate.

The press association reported that the new regulations also ap-pear to broaden the definition of a subversive statement to include taking part in activities or supporting the "campaigns, projects, programs or actions of violence or rethe state by an unlawful organiza-

State-controlled television had earlier said two new Government Gazettes were being prepared in response to the ruling by Supreme Court Justice H. Daniels that Gen-

"This is being done because the government is determined that there will be no supportive statements and/or advertisements for ever," Adriaan Vlok, the minister

General Coetzee imposed the ban after 22 newspapers published paid advertisements from antiapartheid groups calling on the remment to unban the African National Congress.
The ANC is the largest group

fighting to overthrow the whitedominated government.

■ Election Date Expected President Pieter W. Botha is to announce a date for a general election for the ruling white minority Friday, when he opens the country's segregated three-chamber Parliament, the government announced Thursday, Agence-France Presse reported from Cape Town.

■ White Liberal Convicted

A white South African liberal whose family have become heroes in black townships was convicted in black townships was convicted trolled by governments," said industries survive. For some big Thursday of arson and fraud, Reu-Richard G. Darman, the deputy businesses, it means tax reductions ters reported from Port Elizabet South Africa.

Valence Watson, 34, fighting allegations that he started the fire in petitiveness theme. "These deeper 1985 as an insurance fraud, told a Port Elizabeth court last week he addressed, need first a period of istance" against the authority of believed his home had been bombed by a right-wing group. His Some Democrats say they wel-brothers Daniel and Ronald were come the president's effort, alacquitted Thursday.

The case has divided the eastern Cape community, where the Watsons created a sensation in the early 1970s by leaving a white rugby eral Coetzee exceeded his authority team to join a black squad.

BUSH: Iran Sale Called 'Debatable'

(Continued from Page 1) having to actively defend the Iran

arms sales in his campaign. Mr. Bush, echoing Mr. Reagan, has backed away from any sugges-tion that the primary goal of the arms sales was to win the freedom of the American hostages captured in Beirut, a goal the administration has described as secondary to opening a bridge to "moderate" elements in Iran.

But one source portrayed Mr. Bush's comments Wednesday as an effort to show independence from Mr. Reagan. The vice president's spokesman, Marlin Fitzwater, demed that that was the vice president's intention.

In the television interview, Mr. Bush said of the Iran effort: "I think history has to prove whether it's wrong. I think it is debatable, and I think on the surface, you can make the case that it's

wrong."
However, he added, "Having said that, when you look at the whole policy and look at Iran's geographic standing and look at the problems facing them, if a small shipment establishes contact with moderate elements and if it results down the line in a solution to the Iran-Iraq war," then "I think we

could argue that it was right." "On the surface," Mr. Bush said, "selling arms to a country that state-sponsors terrorism, of course, clearly, you'd have to argue it's wrong, but it's the exception sometimes that proves the rule."

■ Panel to Release Report

The Senate select committee investigating the Iran-contra affair voted Thursday to approve the release of the most detailed report to date on the matter, United Press International reported.

Earlier Thursday, the Senate Intelligence Committee voted, 14-1, to approve a final report in its investigation into the secret U.S. arms sales to Iran and the diversion of profits to benefit the Nicaraguan

The intelligence panel also recommended that the select committee, now in charge of the investigation in the Senate, allow the report

to be released. Senator David L. Boren, an Oklahoma Democrat, the intelligence panel chairman, said the new

report is "based upon a more complete data base" than an earlier draft, but he added: "It's still very

preliminary in nature." The select panel's Democratic chairman, Daniel K. Inouye of Hawaii, echoed that view, saying the report "does not reach any conclusion, and I think appropriately so," and calling it "incomplete."

The earlier version of its report

was delayed by Democrats who charged it was incomplete. Republican lawmakers and the

White House wanted the original report out because it cleared Mr. Reagan of knowledge of the contra

MANILA:

Siege Is Ended

(Continued from Page 1)

civilian anthorities told the military to end rebel occupation of the tele-vision station by midnight Wednes-

day.

After repeated attempts at per-suasion failed, General Ramos authorized use of tear gas late Wednesday to try to flush out the rebels. But after talking with the group of about 70 officers, who hold the rank of colonel and below, he ordered a halt to the tear gas-

Batac insisted that his group, which he said was representative of the plan leaked.

Mr. Marcos spoke at a press consentiments that the matter should not be settled by violence."

apart the armed forces some

Colonel Batac said he thought General Ramos "responded to our many years in the United States, position very positively." many years in the United States, said the subdued reaction of his Analysts said the authority of

Mrs. Aquino's most important ally in the military establishment, had been shaken by the officers' inter-

They noted that about a dozen of the officers were members of a reformist group accused by the au-thorities in October and November

of plotting a coup.

Juan Ponce Enrile, who joined General Ramos in the military uprising that helped bring Mrs. Aquino to power last February, is closely associated with some of

these officers. Mr. Enrile was dismissed by Mrs. Aquino in November as defense minister in the midst of rumors about an imminent coup that both he and the reformists denied. The analysts said General Ra-

mos's authority had also been chal-Oscar Canlas, leader of the mutineers in the television station, to obey an order to evacuate the building in a face-to-face meeting between the two men Wednesday.

Colonel Canlas, an air force intelligence officer, finally declared an end to the occupation of the television station and he attended a press conference with General Ramos, other senior officers and government representatives at the Ministry of National Defense on Thursday.

Some of Colonel Canlas's troops stood in a line behind the senior officers with their rifles held across

MARCOS: Plan to Return Blocked ference Wednesday night after two

(Continued from Page 1) ing to wear them "upon her return

to the country. possible, even at the risk of my life, Vice President Salvador H. Lauto reach the Philippines." rel said in a radio interview that Mr. Marcos had planned to return Honolulu, Tomas Gomez, said he had warned Manila and Washingon a Boeing 707 chartered by a Lebanese friend from a Miami

company called Pan Aviation. Mr. Laurel said the U.S. State Department and the Philippine consulate general in Hawaii were closely monitoring Mr. Marcos's

Horacio Paredes, press officer of the consulate, said the chartered Lieutenant Colonel Victor G. plane was to have been flown by

aged his people "to keep fighting for liberty and democracy," apparently referring to outbreaks of resistance by Marcos supporters in

the Philippines.

Mrs. Aquino's government has barred Mr. Marcos's return, saying it would provoke political instabil-

U.S. officials visited him at his

rented Honokulu estate. He said be

was prepared to do "everything

ton that Mr. Marcos might be

Mr. Marcos said he had encour-

about to leave Hawaii.

The Philippine consul general in

He said if government troops attacked fellow soldiers "it might tear BONN: Low-Key Hostage Reaction

(Continued from Page 1)

said the subdued reaction of his compatriots reflected "a certain General Ramos, who is regarded as coldness, a certain lack of compassion in this society."

> He added: "If you know America and what sometimes looked like close to hysteria there, it is really

> "This national revulsion against some little upstart country doing something to us - we don't have that," Mr. Friedrichs added. "The big Americans say, 'How dare they do this to us?" But the Germans aren't big, and a lot of people dare

do things to Germans.' Elisabeth Noelle-Neumann, the head of the Allensbach polling organization, said a weak sense of national identity made it difficult for West Germans to express great compassion for Mr. Cordes, an executive of Hoechst, or the other hostage, Alfred Schmidt, a techni-cian for Siemens who was installing

machinery at a Beirut hospital. "Most people don't think of them as Germans, but just as a representative of Hoechst and a representative of Siemens," Ms. Noelle-Neumann said. "It is an interesting result of our weak nation-

Apparently, many West Germans are aware that Bonn has long experience in similar matters. For German political prisoners and members of Romania's vanishing

German-speaking minority. ties, the West G Until the kidnapping of Mr. DPA reported.

Cordes and Mr. Schmidt, West Germans had enjoyed a relative immunity in the chaos of Lebanoa's civil war, and in the Middle East it is not untypical of German business representatives to display a certain insouciance in the face of danger. It is a national tradition to

defend markets tenaciously. Dieter Rath, an official at the Association of German Industry. recalled the reactions of West Germans working in Libya at the time of the U.S. raids in April.

"From a distance we could only express our fears and urge them to come home," he said, "but we found that a lot of the people there said no, they were going to stay."

Hijacker Identity Doubt

Friends of Mohammed Ali Hamadeh have said that he may not be the terrorist sought by the United States for the 1985 TWA hijacking. United Press International reported Thursday from Bonn.

West German friends and acquaintances of the suspect and his brother, Ali Abbas Hamadeb, 28, said in television interviews that neither Hamadeh brother was the terrorist photographed at Beirut International Airport during the

A Lebanese friend of Mohammed Ali Hamadei, 22 also told West German police Thursday he years, West Germany has secretly did not recognize the terrorist lean-purchased the freedom of East ing out of the cockpit of the TWA Boeing 727 in photographic evidence circulated by U.S. authorities, the West German news agency

COMPETE: U.S. Worried About Lagging Productivity

(Continued from Page 1)

secretary of the Treasury and an administration strategist behind both the tax plan and the new comcultural problems, in order to be

resources behind it.

"I'm glad be raised the profile of competitiveness," said Senator Max Baucus, a Montana Democrat who is a founder of a bipartisan organization called the Congressional Caucus on Competitiveness "But he didn't give it much of a sense of urgency."

Some of the president's competi

tiveness proposals, moreover, are the administration's response to the stirrings in Congress for protectionist legislation to arrest the tide of imported goods that have cost American jobs in many industries and led to recessions in some sectors of the economy, such as farming, energy and heavy manufactur-

"Competitiveness," unlike "tax reform" is a difficult notion to sell, because it means vastly different things to different people. For the president, it encompasses his promises of smaller government,

some of organized labor, it means in other words, most other counpolicies and programs directly conindustries survive. For some big them vie for world markets.

But there is an economic basis for studying the problem, and that. is the concept of productivity.

Productivity is the measure of what a nation produces in relation to the effort that goes into the production. The more production a though they also say it does not nation obtains for its effort, the have much money or government more goods and services its workers can buy to improve their living standards.

In manufacturing, year after year, the United States has been losing the productivity advantage over other countries. Its ability to produce goods has been gaining more slowly than that of many other major nations.

Economists dispute whether the country is also losing its productivity edge in the services that now for outweigh manufacturing in the U.S. economy. But no one has de-veloped a reliable way to compare nations' productivity in services.

Economists construct a scale for international comparisons that gives American productivity a value of 100. Between 1980 and 1985, this figure did not change. But for Canada it rose from 100 to 102, for Japan from 68 to 75, for Germany from 89 to 93, for Britain from 71 to 76 and for France from 91 to 93. just not making out in terms of While the United States stood still, productivity."

Joseph W. Duncan, economist for Dun & Bradstreet, says some of the apparent lag reflects the failure of American industry to enter growing new markets, such as video recorders, compact disk players and some types of semiconductors.

But many very big American inly competitive. In the early 1980s, when the dollar was soaring, pushing up the foreign prices of their goods, those industries chopped costs and excess.

"The reality is that much of our manufacturing plant is probably more competitive than it has been in 20 years," he said.

"In my view, half or more of the problem is due to price trends," said William D. Nordhaus, an economist and the provost of Yale. Some, too, he said results from the slow growth of many developing economies, which limits their ability to buy American-made goods.
"And then maybe a bit is due to trends in competitiveness.

But to the administration, competitiveness is the main problem.

"My contention." said one of the administration's senior economic policy makers, who declined to be named, "is if you look at these numbers, you see a long-term postwar secular trend of a society that is

Christian Lacroix Takes Off Like a Rocket

By Hebe Dorsey

PARIS -- It's been an unusually good season for Paris conture. Christian Lacroix, at Patou's, took off like a rocket, showing that once more, fashion leadership comes

PARIS FASHION from here. Meanwhile, the rumor

that Lacroix is leaving Patou to start his own house is getting stronger every day. He is now said to be choosing between several financial backers.

Poufs and petticoats, as well as madly stacked ruffles, took Paris by storm and, even when it was toned down, one could trace the influence of Lacroix's magic wand. Couture went back to being a spectacular, irresistible dream with nobody asking, "But where can you wear that?" Accessories were once more an important part of the fashion spectacle, especially hats, which became full-fledged cha-

At Patou's, five dresses were sold the first day, at prices ranging from 50,000 francs (about \$8,450) for a simple dress to 100,000 francs for an embroidered one. Sao Schlumberger, who was among the early customers, bought a couple of dresses, including one with an embroidered bolero over a white cottou skirt. Of Lacroix's collection she said: "It's fresh and armising

and it changes the silhouette. It's also very summery." With excitement mounting in

Paris, fashion leaders such as Marie-Hélène de Rothschild, Hélène David-Weill and Helène Rochas, went to Patou's for the first time and reportedly loved it. Hubert de Givenchy had all his

faithful American clients in the first row on Thursday. For them, he had suits, suits and more suits, always precisely elegant. While Givenchy won't rock any fashion boats, he keeps on delivering im-peccable clothes to a privileged private clientele. With a long experi-cace, he knows exactly what they

want - suits, soft dresses and lovely evening wear.

His choice of suits was amazing. with short jackets softly pinched in at the waist over short slim skirts. This was a much younger and more flattering collection, with no long jackets and virtually no pants. The few pantsuits Givenchy showed were made of printed silks and lames and just the thing to wear

when entertaining around a pool. The suits with guillotine collar and dozens of big, round, gold but-tons, stood out. So did the afternoon dressy ones, many of which sported a ruffled pephim. The short-sleeved suits, in bright colors, big evening gowns.

such as a strong blue, were particularly summery. This was a refined collection

with a return to the long evening coat and long gloves matching evening dresses. Big platter hats were often in the same print as the suits. and all the way through the collection the models carried crisp white gloves. Elaborate jewelry included thick gold chokers with matching bracelets and earrings. Givenchy showed crisp linens, shantings and striped gabardines for daytime. cheerful prints for silk cocktail dresses, and lace or embroidery for





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Hats by Michel and Kirsten Woodward for Chanel, some of the Paris chapeaux.

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TRAVET

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Smells in Singapore

TRAVELER'S **CHOICE**

International Herald Tribune

The great fungus hunt

Along a trail winding from Auckland to Christchurch to Te Anau and beyond, a party will pursue the mushroom during April and May, in a study tour of New Zealand, Tasmania and Australia for people wishing to expand their knowledge of wild mushrooms. Led by Gary Lincoff, president of the North American Mycological Association and author of the "Audubon Field Guide to North American Mushrooms," and by David Aurora, who teaches mycology at the University of California at Santa Cruz and is the author of "Mushrooms Demystified." the tour will emphasize the identification of edible and poisonous species. Based on double occupancy, the "Down Under Mushroom Study Tour," scheduled to leave 2 486 Musiroom Study Four, "scheduled to leave Los Angeles April 17 and return May 6, is priced at \$3,485 a person. Additional mushroom study tours are scheduled for Alaska from Aug. 1 to 16 and for India from Nov. 4 to 21. More information and a brochure are available from Fungophile (Post Office Box 5503, Denver, Colorado, 80217; tel: 303/296-9359).

The 'Great Migration'

■ Between 1915 and 1950 hundreds of thousands of American blacks, seeking a better life, left the rural South and journeyed to the urban areas of the North. This movement, called the Great Migration, changed not only the lives of its participants but also the structure of American society. The migration, producing predominantly black urban enclaves, is the subject of an exhibition opening Feb. 5 at the Smithsonian Institution's National Museum of American History. Titled "Field to Factory Afra American History. 1015 1040 "the charge of the control of the charge tory: Alro-American Migration, 1915-1940," the show's three sections treat life in the South, the journey north and the new Northern urban world. The exhibition is scheduled to run at the National Museum of American History through February 1988, when it will begin a tour. The museum is open from 10 A.M. to 5:30 P.M. daily, except Christmas. Admission is free. More information is available from the National Museum of American History (14th Street and Constitution Avenue, N.W., Washington, D.C. 20560; tel: 202/357-2700).

Secrets of Singapore



Rosalind Mowe, a Singaporean distressed at her city-state's an older Asia, got toether with Anne Ropin and Elyane Hunt, two French experts in Oriental art, who shared her fascination with backstreets and hidden corners. Together they save produced one of Asia's most original uides: "The Secret -Map of Singapore." The set of maps, handlettered and illustrated by Ropin's husband,

Michel, can point you to the last Malay kompone, a village built over the sea on stilts; to hand-carved bird-cage accessories off Serangoon Road in Little India; and to Arabic perfumes made without alcohol for Moslem women. Normally tourists just go to a couple of basket shops and fabric stores in Arab Street," Mowe said, referring to a Malay-Moslem quarter, "Most do just Arab Street itself, but Arab Street is a neighborhood," she said, adding: We wanted to show them the outside, the inside and the in-between." The guide, which includes restaurants and foodstalls, costs about \$2.50. It is sold at Select Books, on the third floor of the Tanghin Shopping Center on Tanglin Road, and at other bookshops.

An airline for nuts

■ Swissair, known in the airline industry for the quality of its in-flight food, faced a crucial culinary decision the other day: to sprinkle slivered almonds over its curried shrimp entrée or to leave it plain. "Go with the almonds," said Matthias Hefti, a Swissair catering supervisor, after pondering the two steaming options for several moments. Almonds go with seafood, and besides they'll keep the curry sauce from sticking to the aluminum-foil cover."
While most airlines regularly change their in-flight menus to keep frequent fliers bappy, attention to such practical and palatable detail as nuts or no nuts is becoming rare as more carriers cut costs. Swissair, which measures itself against other airlines noted for their cuisine, has testers fly other carniers, including Lufthansa German Airlines, Singapore Airlines, the Scandanavian Airlines System and KLM Royal Dutch Airlines.



Musical Steps Through Prague

by William Weaver

RAGUE - An art museum may sound like a strange place to be-gin a musical tour, but for the visitor to Prague who is interested in Czech music, the Gallery of 19th-Century Czech Art is a striking introduction.
The museum, part of the National Gallery, is imaginatively boused in the former Convents of the Riessad Agrees, a yest and magnificent 13th-century complex, the largest and oldest Gothic monument in the city, still being restored, rescued after centuries of neglect.

Two wings are now open; in the intelli-gently installed collection you can see any number of big canvases reflecting the last century's nationalist passion for Czech history: the legendary Queen Libuse stands on Vysehrad Hill, prophesying the glory of Prague; the Amazonlike Sarka, and Premysl, the farmer-king; and, closer to modern times, Jan Hus, the 15th-century religious martyr. All these characters inspired the operas and tone poems of Czech composers, from Smetana and Dvorak to the later Fibich and Janacek.

Many of these works were written to be performed at the Narodni Divadlo, the National Theater, which was first inaugurated in 1881, then destroyed a few weeks later by fire, then definitively inaugurated in 1883. Unlike most Enropean opera houses, which were built at the command (and expense) of kings and dakes, the Narodni was financed by popular subscription, and was meant to be the expression and the emblem of the Czech nation. which then existed only as a subservient, restless element in the patchwork of the Austrian Empire. All the leading painters and sculptors of the nation made their contribution, and in the 19th-Century Art Gallery, you can see the sketches they made for the frescoes, the painted curtain,

Few theaters, for me, are as moving to attend as the Narodni Divadlo. "Narod sobe" says the inscription over the prosce-nium arch: the nation, to itself. What a gift. And the people, the audience, really do have a proprietary air. They dress formally, and they behave soberly; the popular drink at the bar is fruit juice. And they are proudly cordial toward foreign guests. (For an extra couple of crowns you can buy an English-language program from

the maternal, smiling ushers.)
Though the Narodni performs the international operatic repertory, it also schedules, rightly, a long list of Czech operas. Virtually the entire Smetana canon is given every year, in addition to the most important works of Dvorak, Janacek, Fibich, their less well-known contemporaries (Novak, Kovarovic), and living musicians like Jui Pauer and Jan Hanus. Foreign guest singers are a rarity; and since every major city in Czechoslovakia has at least one opera house (Prague has three), the supply of native singers is smaller than the demand. Veterans tend to go on working longer than advisable, and promising young artists are kept too busy. (I heard one gifted tenor four times in aix nights.) Casting is uneven, as a result; but it is unusual to hear a dull performance. If nothing else, the orchestra can be relied on to play beautifully, and the chorus — especially in Smetana — is full-voiced and

Nowadays the National Theater is an umbrella term covering two other halls. One of these is the new chamber theater. the Nova Scena, a glass-sheathed cube on a newly created plaza next to the old opera house. The plaza also comprises a new administration building and a restaurant building, where you can get a good meal and excellent beer after the performance. Originally planned as a conference center,



A room in the Dvorak Museum.

the Nova Scena was drastically reconceived after building had already begun. Most of my Prague friends thoroughly dislike it. In a city with few modern public buildings, it does come as something of a shock. But then most of my Prague friends have never seen the interior; the seating capacity is small — a couple of hundred and every performance is sold out immediately. The foyer, with its walls of green

marble from Cuba, is bright and welcoming; the leather seats — worthy, indeed, of a board of directors' conference table are seductively comfortable; and the acoustics are excellent. Designed by the renowned Josef Svoboda, the hall is extremely versatile. I saw there a children's opera by Pauer, "The Talkative Snail," which, in the fashion of Svoboda's Laterna Magika, combined film and mime, taped music and live actors. The children loved it, and so did we few adults present.

The Nova Scena divides its time between spoken theater and opera, mostly new and experimental opera. But the Narodni also administers the handsome Smetana Theater. Originally known as the German Theater, this house opened in 1888 (perhaps the German community's response to the Czech (National) Theater, then five years old). Mahler conducted there, and Alexander Zemlinsky was its chief conductor from 1911 to 1927. (In 1924 he conducted the world premiere of his brother-in-law Arnold Schoenberg's Erwartung" in this house.) Like the Narodni, the Smetana has recently been restored, with tact and respect. Its golden decorations glow against its white walls, the red plush is warm and welcoming, and so are the larger-than-life-size caryarid ladies, who might have stepped off the label of a bottle of White Rock.

The oldest, most distinguished opera house in Prague is the Tyl Theater, originally known as the Nostitz or the Estates Theater. This is the house for which Mozart wrote "Don Giovanni" and "La Clemenza di Tito," and where he attended with delight the enthusiastically successful Prague performances of his "Nozze di Figaro." Also under the Narodni's direction, the Tyl is currently closed, bricked up and undergoing restoration. It will reopen in

1991, for the Mozart bicentenary year. Continued on page 8

RESTAURANTS

Savouring the Memory of Maurice Brun

ARSEILLE — Envision an authentic Provençal meal. It would be based on fruity olives and this season's oil, with fresh Mediterranean fish, perhaps a well-seasoned beef daube, with tomatoes and artichokes weaving their way into the meal. There must be goat cheese (preferably a young, fresh chèvre fragrant with herbs) and for dessert

PATRICIA WELLS

pillows of white nougat bursting with chunks of grilled almonds, candied fruits, and pale green pistachios. For wine, a dry white Cassis, full of finesse; a sturdy red Bandol, rich with the mourvedre grape, and with dessert a glass of sweet, muscal-fragrant Beaumes-de-Venise.

This is basically the meal that has been served, hunch and dinner, since 1936 Chez Maurice Brun, a cozy family-run restaurant with the atmosphere of a rustic Provençal museum overlooking the Vieux Port.

Would that every region of France could boast such a local treasure. It all began, as Thérèse Brun tells it, when her late husband, Maurice, decided to create a restaurant that would resemble a private home. He hoped that people would come here not simply to dine, but to celebrate, and so he designed a typically Provençal family feast. The makeup of the meal would not change from season to season or year to year, and the single

dining room would hold no more than two dozen people.

The ritual has continued for more than 50 years, as Maurice Brun's homage to his native gastronomy lives on. In the early days, the author and playwright Marcel Pagnol was a regular guest. Then, diners sat overlooking the port as boats trailed in from Spain laden with oranges and sardine boats filled the harbor three times a day, ensuring

the Marseillais a fresh catch for every meal. Maurice Brun's menu - still served by Madame Brun and her son Frédéric in the same homey, spotless, plant- and antiquefilled dining room — has aged remarkably well with time, and even those well-versed in the cooking of Provence are likely to pick up a tip or two. It begins with a glass of sparkling Clairette de Die, served with the procession of superbly fresh hors d'oeuvres. including first-of-season cured black olives, thin slices of generously seasoned sancisson d'Arles, delicate timbales of jellied boeuf en daube, as well as tiny rounds of baguette spread with poutargue, deliciously pungent

and salty mullet roe blended with olive oil. There is, of course, tapenade. Madame Brun's version is not the typically thick, spreadable paste, but a chunky, handchopped affair, combining some of the best Provençal black olives (from the cooperative in Mansanne-les-Alpilles), capers, ancho-

vies, thyme, rum and oil.
"Eat it with your fork," she advises, "and don't eat too much bread or you'll never make it to the end of the meal." No questions asked, diners quickly learn to follow her motherly advice.

Perhaps my favorite discovery here is Maurice Brun's *huile d'olive gelée — e*xquisitely fruity olive oil chilled to a jell, then spread like butter on slice of baguette. As the oil melts, it emits a pungent and fruity fragrance, and once you have sampled it you'll be sure to fill your freezer with tiny crocks of oil, and consider renouncing butter.

Two warm appetizers include a fragrant quichet aux anchois (a warm blend of oil, anchovies and vinegar spread on toast) and a strong, full-flavored Mediterranean speciality, pouprihouns aux ponumes d'amour, slivers of octoons that have been cooked for hours in a blend of tomatoes and olive oil.

As guests feast and chat, even wander about the room to examine books on a shelf, to admire an inscribed portrait of Provence's favorite son, Frédéric Mistral, Madame Brun places the day's poultry - generally guinea fowl or free-range chicken - on the spit to roast over the open wood fire.

Next, there is fish, and the variety depends upon what looked best at the market on the nearby Quai des Belges that day. There might be small daurade, sarg or pageot, all Mediterrean fish of the sea bream family; or perhaps loop (sea bass), sole or tiny rouget (red mullet). The fish will be simply grilled, then fileted and served on one of the house's

collection of decorative other-hued plates. No salt, no seasoning, no sauce. Everyone, at least once, should be able to sample fish this fresh, this simply prepared, fish that releases the briny essence of the sea. With the fish, Mrs. Brun pours this year's Cassis, a vibrant

dry white from the Domaine du Paternel. As aromas of freshly grilled poultry fill the red-tiled dining room, diners feast on two giant, perfectly turned fresh artichokes, artichauts bérigoulo, cooked to a buttery smoothness with mushrooms, olive oil and a touch of sea sait. The poultry follows, seasoned only by nature, and the red Bandol

flows according to the measure of each diner. Later, there is a tossed green salad, then smooth, white discs of the freshest young Banon, a rare regional goat's milk cheese, so fragrant it explodes on the palate with woodsy flavors of wild rosemary and thyme.

Be warned that this gastronomic education takes some time: set aside a good three hours to wend your way through the Pro-

Maurice Brun (Aux Mets de Provence), 18 Quai de Rive-Neuve, second floor, 13007 Mar-seille, tel: 91.33.35.38. Open by reservation only. Closed Sunday, Monday and holidays. Credit card: Diners Club. A single, 330-franc menu, including wine and service. Bouilla-baisse, the Mediterranean fish and shellfish soup, can be ordered in advance for groups of



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The Old Port of Marseille.

TRAVEL

THE FREQUENT TRAVELER

In London, Consider A Personal Driver-Guide

by Roger Collis

EATHROW on a cold wet evening. You're slightly bent out of shape after flying sar-dine class from Paris. And it's been a hard day's week. But today is Friday so you can relax. And Simon is there to meet you with the Rolls. You sink into this luxurious cocoon and unwind with a glass of champagne while Simon fills you in on what's new. He buys you a drink at the hotel and you spend an hour or so discussing how to make the most of your weekend visit. Tomorrow, you want to do some shopping, maybe check out that new Italian restaurant and catch a show. No problem. Simon will make reservations and pick you up at nine.

Welcome to Friends in London Ltd., a meet-and-

greet service formed by Simon Anderson, a young New Zealander, in 1984. "When I was living in Los Angeles, I had 380 visitors in three years. I had so

What a friend will do, that's the concept'

much fun showing them around that I thought, here's a way of combining what I enjoy doing with living in London and getting paid for it. I try to do the meeting and greeting and consultation myself. I only recom-mend things based on my personal experience, such as

Friends like this don't come cheap. For meeting you at Heathrow in his Rolls-Royce, Anderson charges £75 (about \$115) or £115 from Gatwick. Or you can opt for his Jaguar at £55 (£70 from Gatwick) This compares with £18 to £20 for a taxi and £20 to £30 for a chauffeur-driven car. Anderson said, "I'll find out what people's interests are, what they've seen, what they know and don't know. If it's their first visit, I'll answer all their questions about the basics, or if they've been to London before, all the latest tips about what to see and do. They can hire me or go off on their own. They can also use me as a resource center. It's a risk if people call me and I have to spend time finding things out for them without me earning anything. But that's what a friend will do, that's the concept I'm

selling."

Anderson draws on a network of free-lance professionals, such as Blue Badge guides who are accredited to the London Tourist Board, for specialist knowl-edge. "For example, a U.S. banking chain in London asked us to help a German client, with no English, who wanted to bid for Impressionist paintings at Sotheby's, both for a museum and for his own collection.

We found a German-born guide, who was also an art
specialist, to help with his bidding."

For a half-day tour in the Rolls in and around

London, Anderson charges £80 (£120 for a full day). "But if it's just from A to B, I charge an hourly rate of £10 plus £1.30 a mile. Most of my clients are people on vacation, but I am getting more and more corporate

isn't appropriate, so I have to make clear in advance that I'm not a chauffeur. My style is to relate as an equal to my clients."

Every driver-guide service depends on personal style and chemistry. But the idea of hiring an informal travel "consultant" is especially well developed in Britain. According to Catherine Althaus, a spokeswoman at The British Tourist Authority in London, it was Fred Pearson of London-based Take-A-Ginde Ltd. who "fathered the whole concept of personalized, meet and greet driver-guides 25 years ago as an Oxford undergraduate with a Rolls and a bowler hat. Then there's Katie Lucas, who runs the Grosvenor Guide Service, who does a similar kind of thing, except perhaps more personal; for example, she can get the queen's coachman to give you a tour of the Royal Mews. They both use personal driver-guides — not chauffeurs but young, attractive people, mostly

We cater for mainly U.S. visitors, providing them with whatever they want, a car from a Ford Cortina to a stretched Mercedes 600 and a young, enthusiastic, intelligent, entertaining guide, who is qualified by the tourist board," said Fred Pearson. "The business traveler is keen to have an attractive girl to take him around. If he's with his wife, she will take her off to shop while he does his meetings. Very often they'll come in on Friday or Saturday and then carry on to the Cotswolds, Bath, Stonehenge, get updated on places to take business contacts out to lunch.

Take-A-Guide has about 100 guides, 30 to 35 in London and the rest in Paris. A typical charge for an airport pickup is £58 from Heathrow and £98 from Gatwick. This includes a daily paper, a rundown of what's on in London and a guided tour to the hotel. Half-day sightseeing in London costs about £69 and £128 for a full day. Katie Lucas employs 16 "hand-picked" guides and

specializes in visits to the sort of places that are not open to the public. "I try very hard to get the right guide for the right person. Most guides have a special terest. I have two art historians and one who is married to a well-known art dealer. Most people want women, but I do have some men. I've just had a call from Maryland, a couple who are interested in horses and cairns. So I've just been speaking to a guide who knows a great deal about horses and dogs and the tour I have organized will encompass these interests. I've done visits to the Houses of Parliament, including the Members' Bar, although that's getting more difficult because of security, and following the trail of Henry Tudor, starting at Pembroke Castle, where he was born, and ending up at Bosworth Field with a jousting session and a medieval banquet.

Grosvenor Guides charges by the day and distance. Heathrow pickup is £40, a day around London £120, and a day trip to Bath £190. Touring costs £175 a day plus a £35 overnight allowance for the guide.

British Tours Ltd., which was formed in 1958, claims to be the oldest and largest firm offering personal driver-guides. According to the general man-ager, Maggie Rogers, 50 to 60 guides conducted around 8,000 tours last year. These ranged from a three-hour "Introduction to London" to a six-day tour of the Scottish Highlands. Rates vary from £90 to £240



Two of the idols found in Nicaragua have been put on display in Granada.

Mysterious Stone Idols of Nicaragua

by Stephen Kinzer

RANADA, Nicaragua --- A collection of massive stone idols carved by Indians as long as a thousand years ago has gone on display here.

The permanent exhibition has not been

widely advertised, and an attendant said only a few hundred people, many of them foreigners, have stopped to see it since it opened in October. They have been rewarded with a glimpse into prehistory that raises at least as many questions as it an-

The brooding statues, which range from about 5 to 10 feet (1.5 to 3 meters) in height, were discovered by Spanish explorers who visited the volcanic islands in Lake Nicaragua. But they were largely forgotten for centuries, and little is known about them or the people who made them.

Like the even larger idols on Easter Island, the Nicaraguan figures have inspired a variety of theories. The dearth of reliable data has not prevented writers and poets, as well as archaeologists, from falling under

The first person to study and catalogue statues from the Nicaragnan Islands was

minister to Nicaragua in the mid-19th century. After hearing reports of "old rocks" said to be baried there under centuries of overgrowth, Squier traveled to the archipelago and engaged native laborers to help him uncover what turned out to be a collection of larger-than-life basalt statues of both humans and animals.

Squier was sufficiently impressed that he ordered some of the idols shipped to Washington for the Smithsonian collection. He speculated that they were objects of worship, perhaps part of a fertility cult.

"They are plain, simple and severe, and, although not elaborately finished, are cut with considerable freedom and skill," Squier wrote. Some of them, he added, "conveyed so forcibly the idea of power and strength" that they might have been used as "a study for a Samson under the gates of Gaza, or an Atlas supporting the

Later in the 19th century, the Swedish Society of Anthropology and Geography sponsored an expedition led by Carl Bovallius, who uncovered more statues. Bovallius developed the theory that many of them had been used as pillars to support the roof

of a temple.

The Swedish government, which pro-

E.G. Squier, who was the United States vides substantial amounts of aid to Nicaragua's Sandinist regime, has not forgotten the Bovalius mission of more than a century ago. Sweden paid to have two dozen of the most impressive remaining monuments cleaned, mounted and placed on exhibition

> Time and mistreatment have taken their toll. Sketches made by Squier and Bovallius show much more detail than is now visible. "Being buried out on the islands for centuries protected them," said Rigoberto Navarro, an official of the culture manistry who has conducted excavations on Zapatera Island, where most of the idols were found. "Jesuit priests brought them to Gra-nada and displayed them in a schoolyard where they were exposed directly to the elements. The priests also chopped off the genital organs so as not to disturb the

> Although Nicaragua's archaeological heritage is not normally considered as rich as that of other Latin American countries like Mexico, Guatemala or Peru, The statues are displayed in an eerie double file behind an ancient convent here.

Navarro said they were probably carved between A.D. 800 and 1200 by tribes that art." migrated from Mexico. "The only way we

discover one buried with some biological waste that can be reliably dated," he said.

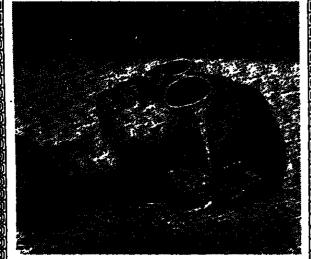
Research expeditions to Zapatera are continuing sporadically, under the the culture ministry's jurisdiction. During an 11-day stay on the island in November Navarro and two U.S. specialists found four previously unknown sites containing important relics.

Experts are not certain whether the statues were carved on the islands, which are of volcanic origin, or brought from elsewhere. Some have suggested that idols from various places might have been carried to the islands to protect them from destruction.

Other investigators, such as the contemporary Nicaraguan writer Jorge Eduardo Arellano, speculate that the statues were used for religious ceremonies on Zapatera Island, which some believe had a ritual importance to ancient tribes.

The statues, Areliano has written, "were conceived and built in an early period of pre-Hispanic history when a culture until now barely known, with a great funerary cult, decided to convert this island in Lake Nicaragua into its principal ceremonial center, developing an impressive sculptural

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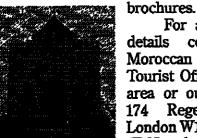
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 ${f MOROCCO}$ The Longest Summer

Prague: Musical **Footsteps**

Continued from page 7

other Prague opera theater.

Music in Prague is not only op-

ra. With a population of about 1.2 million, it has more symphony or-chestras than New York or London, and the Czech Philharmonic - the country's No. 1 - ranks among the finest in Europe. (It is not well known in the West, but it has made many recordings; the his-toric disks with the conductor Vaclay Talich are worth hunting for.) Orchestral concerts are usually giv-en in the Smetana Hall, surely one of the most beautiful Secession buildings in existence. The exterior, hese days, is somewhat drab at first sight; but, under the layer of dust, you can see the careful detail and the grandeur of the design. The interior is largely restored, and gleaming. All the great Czech artists of the early years of this century contributed to the decoration. (Be sure to visit the Primatorensaal.

with allegorical paintings by Alfonse Mucha, Sarah Bernhardt's protegé and poster designer.) The House of Artists, once known as the Rudolfinium, also has concerts, usually on a smaller scale, in its handsome Dvorak Hall, which was the seat of the Czech Parliament during the First Republic and, be-fore that, the recital hall of the Prague Conservatory.

But in Prague there are concerts everywhere: in gardens, in churches, in museums and villas. A friend proudly took me to an otherwise dreary, working-class neigh-borhood to show me a new concert location called the Atrium. Actually the hall is the 18th-century Church of the Holy Cross, neglected until a few years ago, when restoration revealed its excellent

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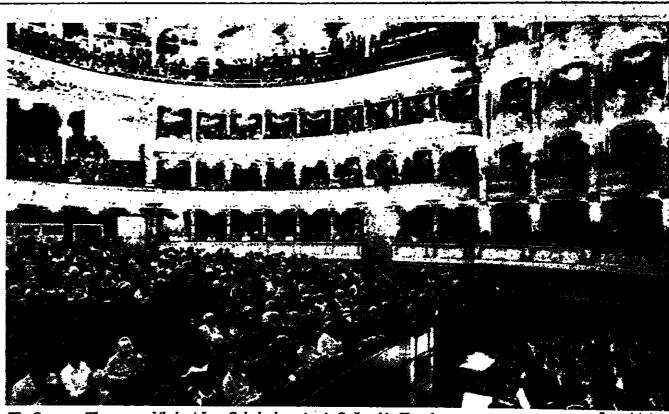
acoustics and its beautiful organ (which has also been restored). Now, with a 120-seat capacity, it has an intense concert program. The calendar I saw listed 22 events chamber orchestras, the Prague Madrigalists, trios and quartets -

in a single month. The Atrium draws largely a neighborhood audience, but for that matter there are concert halls in every quarter of the city, as I discovered one evening when I went up to the Vinohrady Theater for a (very creditable) performance of Mozart's "La Clemenza di Tito" by students who were graduating from the Conservatory. After I had bought my ticket, I had a half-hour to kill, so I walked around the

In Prague there are concerts in gardens, churches, museums and villas.

square. I came upon an impressive, obviously public building, the House of Culture, which also com-prised an agreeable wine bar, where stopped for a pre-opera drink. When I came out and headed for my theater, an audience was streaming into the House of Cul-ture, too; and I paused for a mo-ment to look at the list of events. That night there was a lieder recital by a well-known soprano from the National Theater, later in the week, the Steamboat Stompers were scheduled to perform. These neighborhood halls also sponsor collective trips to museums and monuments outside the city and present amateur talent as well as profes-

The very streets of Prague are ical associations. Not far from the Tyl Theater, in the Old City, there is a plaque on an unassuming facade in the old Coal Marsuming facade in the old Coal Marsuming facade in the site of the the too, was a musician. "Oh, no," she demurred, then added, as an Mozart stayed. But Mozart's spirit afterthought: "Naturally, I play the coance of the strength of the coance." is even more compellingly present in the Villa Bertramka — an inexpensive taxi ride from the center of town — where the composer visited his good friends, the Czech musician Frantisek Dusek and his wife, (Harcourt Brace Jove



The Smetana Theater, and (below) Ivan Sokol rehearsing in St Jacob's Church.

credible tradition, Mozart composed the overture to "Don Giovanni" in the shady garden of the villa, and for his hostess he wrote the concert aria "Bella mia fiamma." Josefa must have been a good singer: years later, she created Beethoven's "Ah perfido!" The airy, bright rooms of the

villa are now a touching little Mo-zart — and Dusek — Museum. There is also a Dvorak Museum, in an elegant 18th-century villa in the Vinohrady quarter. But most moving of all is the Smetana Museum, housed in an old flour mill overlooking the Vltava, which was long better known elsewhere by its German name, the Moldau. There, among old family photographs, faded letters and posters, you can see from the windows the churning rapids described in the tone poem. As you wander through the rooms of the museum, a tape of Smetana's music plays discreetly; by magic coincidence, I heard "Vitava" just as I was gazing down at the rushing

In Prague you really do have the sensation that musicians are everywhere. Once I saw a uniformed army colonel return a salute with his right hand while carrying an instrument case with his left. On another occasion, I was talking piano. Like everyone else.



by Roger Browning

OH SAMUI - The friendly hostess at Friendly bungalows had been busy in the kitchen for well over an hour since taking the orders and, perhaps out of tune with the calm of the Thai night, diners were getting restive. One guest, hungrier and less polite than the rest, asked what had become of his dinner. "Me cook long but me cook good," came the firm reply. She was right, on both counts. The food was superb as is so much on Koh Samui, an island off Thailand's east

mend to each other. It has all the classic necessities for a paradise island: coconut palms, sun and sand But it is also hard to get to, which has allowed it to stay simple, while offering the

soft Western traveler a degree of comfort.

A similar reputation used to cling to Phuket an island off the west coast. But forget Phuket. It is now paradise lost, according to travelers' tales. While it retains much of its natural beauty, some of it is now no more than a 24-hour discotheque. That may be Koh Samui's fate, too, but for now the world

is still a world away.

For about a dollar, a palm-thatched beach hut can be had, with nothing but a big bed and a balcony. For a mere dollar more, the hut will include a toilet and cold water show-

The huts are clustered around an open restaurant area, run by a family. The food is simple but good: lots of fresh seafood, curries calmed by coconut milk, fresh fruit sal-

At Friendly Bungalows, as in many other hut groups, what you pay for is taken on trust. Each visitor keeps a log of what has been ordered and it is added up at the end of the stay. The trust system adds to the friendly atmosphere, and prices are remarkably low. Friendly Bungalows will even pay guests taxi fares back to the harbor to make sure you come back."

Getting to Koh Samui (koh means island in Thai) means taking an overnight train from Bangkok. A berth in second class is perfectly comfortable, with sparkling sheets and a curtain for privacy. At the town of Ban Don in Surat Thani province, buses and taxis run to the harbor. It can be a long wait for the boat, but there are plenty of cafés to have breakfast in. The "express" boat takes

From Koh Samui's port of Ban Ang Thong, you will be invited to take an open taxi that circles the island, stopping off at the clumps of bungalows. It is not possible to book in advance, so you wait until you see something you like that has a vacancy and then jump in. One of the most popular beaches is Lamai, where some of the huts even have air-conditioning. But on the whole, the quietest bungalows are those farthesi from the port.

Thereafter, there is no need to budge from the beach for the rest of your stay. However, the forest-covered island, 16 miles (25 kilometers) at its longest point, is worth explor-



Rock formation off the coast attracts sightseeing boats.

ing for its waterfalls and fishing villages. Motorcycles and jeeps are cheap to hire but the position on insurance is unclear.

Paradise always has its dark side and, like the Garden of Eden, Koh Samui has snakes. It also has scorpions that are not deadly but can give a painful sting. One couple found a scorpion in their bathroom. "That's nothing," the bungalow's owner said. "The last couple in that bungalow found a snake in the

For that reason, it is best to avoid the huts under the trees and go for those right by the beach. Do not sunbathe, either, below the coconut palms. A falling coconut could kill and, while the locals have trained monkeys

to climb up and throw down the ripe nuts, they have not been able to train them to

avoid hitting people on the head. Koh Samui is the largest of a chain of about 80 islands. Only a very few are inhabited and the traveler in search of perfect

peace should have no trouble renting a boat. Koh Samui's peaceful days may be numbered, however. An airport, the kiss of death for an earthly paradise, is due to open in

Roger Browning, an editor at the Interna-tional Herald Tribune, spent a year traveling



The Pungent Durian Dispute

by Michael Richardson

▼ INGAPORE — Yap Au Yong stood in a Chinatown street beside several baskets filled with spiky green spherical objects, some as big as a human head. He picked them up, one by one, carefully brushing off any dust or dirt.

"This," he said proudly holding up one of his wares, "is the king of local fruit." Yap has been selling durians for 12 years. He buys them from Malaysia. Each day at this time of year trucks bring them across the causeway linking the main island of Singa-

pore to the Malaysian peninsula. He sells about 500 durians daily to customers who come to his stall.

Durians ripen twice a year - in December-January, and June-July. That is quite enough for Westerners, many of whom find the smell of the fruit pervasive, sickening and repellent. But it is not nearly enough for millions of devotees in Singapore, Malaysia, Indonesia, Thailand, the Philippines and other parts of

The botanical name for the tree that produces such outlandish fruit - the skin is like armor plating — is Durio zibethinus, from the Malay word duri, meaning "thorn" and the Italian zibetto "strong-smelling." The tree thrives in soil with a high sulfur content which doubtless contributes to its distinctive

The durian is said to epitomize Southeast Asia. Dennis Bloodworth, who has written extensively about the region, described the fruit in a preface to one of his books as prickly, strange, smelly and beautiful, revolting, enchanting, an offense and an addic-

Opening a durian requires both skill and strength. Inside are between four to eight compartments containing segments of the fruit — a creamy yellow pulp which tastes like an Asian variety of barium meal and smells foul.

A British governor of Singapore in the 19th century called it "carrion in custard." More recently, durian has been likened to eating rancid cheese in a public latrine.

The reaction of Lee Siew Lian, a 16-year

old Singaporean school student, at the durian stalls in Chinatown, was typical. "It's quite sweet and absolutely delicious and the smell

Lee bought 10 durians. "I'm taking them home to share with my family," she said.

William Lim, an architect, is not mad about durians. He eats them once or twice 3 season as an experience. "It smells and tastes so different from any other kind of fruit," he said. "And durians from different locations have different flavors.

The naturalist Alfred Russell Wallace first encountered the durian in Borneo in the mid-19th century. His initial reaction was unenthusiastic. But then one day "I found a ripe fruit on the ground and, eating it out-ofdoors. I at once became a confirmed durian

He said the taste was "indescribable," but that did not prevent him from making an imaginative attempt. "A rich, butter-like custard highly flavored with almonds gives the best general idea of it, but intermingled with it come wafts of flavor that call to mind cream cheese, onion sauce, brown sherry and other incongruities."

A more earthy description of durian was penned by a Catholic missionary in the southern Philippines. "It tastes like heaven," he said, "and smells like hell."



1987good reasons to see Thailand this year.

Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is Visit Thailand Year in the Land of Smiles.

Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these:

Feb. 13-15. Chiang Mai Flower Festival. A million blooms, a thousand smiles. One of the unforgettable moments of your life.

April 13. Songkran Festival. A nationwide water festival celebrating the Thai Lunar New Year.

May 9-10. Bun Bang Fai Festival. "Bang!" indeed. Held in northeast Thailand, a fireworks show like no other you've ever seen.

Oct. 16. Royal Barge Procession. An armada of brilliant colours, pageantry and rare splendour not to he missed.

Nov. 5. Loy Krathong. Celebrated nationwide, this is Thailand's loveliest festival.

Nov. 14-15. The Elephant Round-Up. Ever seen 100 elephants enact a medieval War Parade? You will if you come to Surin in northeast Thailand for this extraordinary display.

Nov. 22. Bangkok Marathon. A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary.

Dec. 15. Light and Sound Presentation. A glittering occasion to be held at the Royal Grand Palace and the Temple of the Emerald Buddha.

These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year - a year full of festivities, flowers and fireworks.

Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International.

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Your Company has had a first-rate year and growth continues. Earnings per share are 25.5 pence on increased share capital, and profit before tax is over £165 million.

I hope that, after you have glanced at my brief survey of new projects, you will go on to read the general Review of

In October 1986, we made a decision to enter the oil business in the U.S.A. by the acquisition of six hundred producing oil and gas fields, which were bought for about U.S.\$170 million from Atlantic Richfield as a joint venture with Mr Robert Anderson. Lonrho believes this will be an excellent base for a modern oil producing and trading company free of unproductive overheads. The new company, which has its headquarters in the United States, is already operating profitably under the

experienced leadership of Mr Anderson. As I said last year, we intend to strengthen links with Japan. We have now signed a formal co-operation agreement which includes a crossholding of shares with the major Japanese trading company, Nissho-Iwai. Lonrho has worked with Nissho-Iwai on several large projects in Africa and so we feel confident that this closer association will give us opportunities to develop in the Pacific Basin.

Application is being made to obtain a listing on the Tokyo Stock Exchange in the near future, which will further expand the Group's presence in the Far East.



Agricultural interests in Africa already extensive - were expanded this year when we were invited to recommission several large and fertile estates in Mozambique, which Lonrho now owns and manages in partnership with Government. The development, which was initiated by the late President Samora Machel, was productive from the start and we are increasing the acreages.

Companies in the African continent have produced and traded extremely well, although some had adverse exchange rates with a consequent effect on sterling profits.

Shareholders may be surprised to hear that, with this year's expansion, Lonrho is now one of the largest beef-ranching companies in the world, with a herd of about 120,000 head grazing on two

million acres.

During the year, by agreement with the innovative Mr Eddie Shah, Lonrho took a 78 per cent. interest in Britain's first colour national newspaper. 'TODAY''. This will sustain the paper

as it continues to build up a regular readership by constant improvement. nany's whisky division h the second largest share of the United Kingdom market, with three brands in

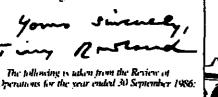
the Top Ten - Whyte & Mackay 'Special', and added this year, The Claymore and the world-renowned Haig. Underlying financial strength has been

further improved by a well supported issue of U.S.\$100 million convertible bonds at 4.75 per cent, in May and a recent issue of U.S.\$100 million bonds at 8 per cent. These issues, which do not affect Shareholders' earnings or rights, help to underwrite expansion.

And expand we will - with your support and the advice and enthusiasm of Lonrho's experienced management team. We used to be a small Company and we try to keep

our original foraging spirit of enterprise. To everybody working for Lonrho, I express the Board's warm thanks and appreciation for their contribution to the security and growth of the Company, which has increased a thousandfold in the last twenty-five years - despite the odd problem!

The Group has started the new financial year well, although it is too early to make a forecast. To mark the end of this year we are issuing a 1 for 10 bonus share.



MINING AND REFINING

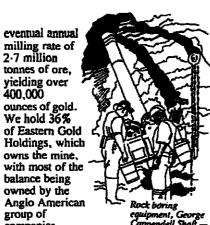
The recent upsurge in gold and especially in platinum prices has boosted the Group's precious metal mining profits. Production has increased to over 250,000 ounces of refined platinum group metals. Platinum production is planned to expand substantially over the next few years to take output to 500,000 ounces annually.

Gold production from the Group's Zimbabwean nanes reached another alltime high. Ashanti output was affected by a strike earlier in the year, now amicably settled. Good progress has been made with the U.S. \$160 million programme to expand Ashanti

production by 50%. Shortly before the vear end the first reef development at the important Erideel mine was driven. revealing gold values above expectations. Production will start later this year and



R W Rowland, Chief Executive



AGRICULTURE

The Group's seven sugar estates reported record overall profits with major contributions from the mills in Swaziland and Mauritius, Sugar production has increased to about 450,000 tonnes.

In Kenya, profits from crops, produced by The East African Tanning Extract Company, were significantly increased. In Zambia, Kalangwa Estates has had an exceptionally successful year in

production of tobacco, maize, wheat, poultry and pigs. In Malawi, a record 4.9 million kilogrammes of tea was harvested during 1986, but turnover was down due to lower tea prices. A healthy profit was earned from other crops, particularly coffee, where production was up at 260

In Nigeria, John Holt has branched out into food farming for the first time, with a large poultry complex.

Demand for high quality arabica coffee in Zimbabwe was strong during the year, 5 with good prices being with obtained. Sales of beef cattle amounted to 10.600 head.

The Group's recently re-acquired Mufindi Tea Estates in Tanzania have produced 1.3 million kilogrammes of tea, which is their second best ever year.

In Mozambique, the Group, in partnership with Government, now has



HOTELS AND CASINOS In Bermuda the major refurbishment

programme for the Princess hotels continued. Occupancy levels overall increased, despite the Southampton Princess being closed for renovations during part of the year.

In Mexico the Acapulco Princess is reporting substantially improved reservations for the current winter season compared to last year, which was affected by the major earthquake in September 1985 although no damage was caused to the Princess hotels or their surroundings. Construction began on a

new 600 room luxury

resort hotel in Scottsdale



In the United Kingdom the Metropole Hotel Group has reported record profits at all five of its hotels despite the reduction in overseas visitors. At the Birmingham Metropole occupancy was at its highest level ever and the new Kings Suite conference facilities were opened in May. Extensive work has been completed at the Brighton Metropole and a new swimming pool has been

The Metropole Hotel Group held 3.800 conferences during the year maintaining its position as the leading exhibition and conference group. The Stanhope Apartments in Park Lane were opened in May, providing superbly

furnished flats and a penthouse for short-term letting, which are

undoubtedly London's best. The returns of the Casino division have been lower due to a fall in visitors from overseas, which seems to be over judging by the 1987 first quarter's results. Overseas, the Bahamas casino was well attended and the flight programme for visitors to the casino was

În Kenya the newly acquired Mount Kenya Safari Club, one of the most

Seat Concessionaires (UK) now has 113 franchised dealers throughout the country and is the fastest growing motor franchise ever in the United

Western Machinery is firmly established as the market leader in baler and forage harvesting machinery. Zimoco, the Group's Mercedes distributor in Zimbabwe, sold nearly 600 vehicles during the year, making it the third largest distributor of Mercedes vehicles in Africa.

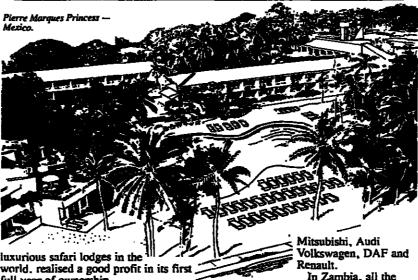
In Kenya, the Motor Mart Group moved to better premises in Nairobi. We now have an ideal location to display such good products as Toyota, Massey Ferguson,

1986 AT A GLANCE

•	1986	1985
Turnover	£2,651m	£2,586m
Profit before tax	£165.1m	£158.3m
Profit attributable to shareholders	£76.5m	£67.6m
Earnings per share	25.5p	23.3p
Dividends per share	12.0p	10.9p

Earnings and dividends per share for 1985 have been adjusted for the capitalisation issue in 1986. The seventy-eighth Annual General Meeting of Lonrho Pic will be held at the Great Room, Grosvenor House, Park Lane, London, W.J. on Thursday, 19th March, 1987

£220m



world, realised a good profit in its first full year of ownership.

Cash balances

MOTOR DISTRIBUTION

In spite of intense competition during the year, the Audi Volkswagen Group's market share at 6% is again better than last year. V.A.G (UK) continues to be the leading importer of European cars in the United Kingdom.

During the year the new Audi 80 range was introduced incorporating the unique Procon 10 safety system, which has received tremendous press comment MAN-VW is now the fastest growing truck company in the British market. which has become the largest MAN

export market in the world. Dutton-Forshaw Motors is one of laguar's leading distributors with six outlets. The introduction of the new XJ40 augurs well for a successful future. Jack Barelay, the world's best known Rolls Royce dealer, again did well with



distributors in many countries in Africa for Mercedes Benz, Toyota, Peugeot, Audi Volkswagen. Massey Ferguson. General Motors. Rover Group and

> **PUBLISHING** The Observer's circulation continues to outperform the market with

Group's motor companies performed

Peugeots, doing particularly well.

Lonrho continues to be agents and

PRINTING AND

satisfactorily, with Commercial Motors, which distributes locally assembled



several other manufacturers

titles. Plans have been announced to move to

contract printing in 1987, which will further enhance performance. The Glasgow Herald improved its position as Scotland's leading quality national daily newspaper and the British Newspaper Design Awards named the Glasgow Evening Times as the best

evening newspaper. Significant circulation increases have also been achieved.

Scottish & Universal Newspapers consolidated its position as the paramount weekly newspaper group in

The large number of well publicised takeovers and mergers during the year has benefited Greenaway Harrison, a well organised high security printer.

Greenaway Harrison also made significant advances in their specialist services to banks and financial institutions.

contract.

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McDougall in

and Norwich

performed well



Edinburgh, Glasgow

throughout the year. Harrison Decorative Papers consolidated and strengthened its position as the largest United Kingdom producer of printed decorative papers to the furniture industry.

ENGINEERING

The majority of the companies in the Firsteel Group improved their results

over last yea Firsteel Metal Products earned record sales and profits. Firsteel acquired Bromford Cold Mill during the year to complement its range of steels in the cold rolled strip market. All the stockholding companies performed well.

Charles Roberts Engineering more than doubled its profits this year. The Lightfoot Refrigeration Company was awarded a major contract from a Japanese shipyard and also installed the new ice rink at the Birmingham National Exhibition Centre for the Sport Aid spectacular.

In Zambia, the President of the Republic opened a prestigious housing project completed by the Group's construction company, Delkins. Delkins also erected the Group's cotton ginnery plant in Mumbwa in record time. Vitretex Paints was able to secure valuable imported raw materials for its paint production. Efforts to increase exports to other tropical countries have

W. Dahmer & Co. improved its manufactured buses and trucks, which it continued to export to other countries in

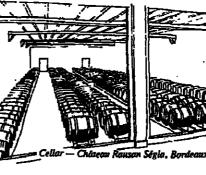
In Nigeria, John Holt is manufacturing 60 foot trawlers made of fibreglass.



WINES AND SPIRITS In France our plan to use the most modern techniques was carried further by the installation of advanced computer controlled wine, making machinery at Château Rausan Ségla. The Bordeaux wine merchant, Louis Eschenauer, had a successful year and in the Loire region, the merchant Aubert Frères made notable

progress in international markets with its high quality regional wines. Following its acquisition of ten new whisky brands. Whyte & Mackay has

implemented appropriate marketing and selling plans for each. Whilst Whyte & Mackay 'Special' remains the main priority, strong support will also be given in future to Haig, at one time the leading whisky brand in the United



Whyte & Mackay "Special" and other company brands have increased sales volumes, especially to Europe.

The Group continues to operate 19 breweries in partnership with African Governments and municipalities. producing traditional high protein beer. In Zambia, the Coca-Cola bottling

company is, as ever, very busy. The Group also operates three Pepsi Cola bottling plants in Nigeria.

TEXTILES

Lonrho Textiles showed significantly increased profits over last year. Brentfords in particular traded very strongly during a year in which it was proud to be granted a Royal Warrant as a supplier to Her Majesty. the Queen.

Our Lancashire based David Whitehead mills had an excellent year. John Barnes in Preston has a healthy order book for industrial knitted fabrics. Besco Baron in Rochdale improved its

range of domestic textiles. David Whitehead in Malawi had a disappointing year, caused by large volumes of imported second hand clothing. There are now Government restrictions on such imports.

In Zimbabwe, David Whitehead won the Exporter of the Year trophy for the second successive year, recording a 144% increase in export sales

compared to last A new cotton

ginnery at Zambia was during the year and has ginned 9.000 tons of seed cotton since the project started up in November 1985.



The Kühne & Nagel group of companies again showed a satisfactory performance, although it was affected by the devaluation of the U.S. Dollar against European currencies. This resulted in lower commission income and less revenue in a number of countries, as well



Kühne & Nagel's container terminal in the port of Rotterdam successfully concluded its first year of operation. In Canada Kühne & Nagel has acquired the lease of a warehouse in Vancouver and a second warehouse is being constructed

In addition to its forwarding activities. the Kühne & Nagel group also carries out warehousing, port handling, industrial packaging, insurance brokerage and travel business in a

in Montreal.

number of countries.
Global turnover of Kühne & Nagel, which Lonrho owns in direct partnership with Mr Klaus Kühne, exceeds DM 4-9 billion and profits have almost doubled in the last five years.

FINANCE AND GENERAL TRADE

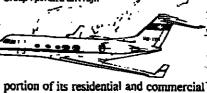
Baumann Hinde, the Group's cotton merchanting company, traded well during a period of rapidly declining prices. In February, the company was awarded a consultancy marketing contract by the Zimbabwe Government.

The PJH Group has confirmed its position as the leading supplier of kitchens and bathrooms in the United Kingdom with the acquisition of Fourways.

The Group's insurance division, F. E. Wright, achieved a modest increase in profitability despite greatly increased costs.

John Holt's confirming operations were boosted by a large pharmaceutical contract with the Nigerian Government during the year.

The Group's property investment portfolio was substantially reduced during the year by the sale of a large Gulfstream III - one of the



properties for £53 million. In December 1986 the freehold of Lonrho's . headquarters, located in a prime open position in Cheapside directly opposite St. Paul's Cathedral, was purchased. Southern Watch & Clock Supplies

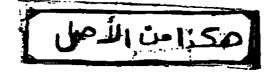
traded satisfactorily in 1986 and profitability has been maintained. Tumpan, which is the largest supplier in Zambia of mining equipment and spare parts to the copper mines in

Zambia, performed exceptionally well. Lonrho continue to represent substantial American aircraft manufacturers in a number of countries.

in Africa, including Beechcraft, which is our most successful agency, and Boeing. In addition, the Group owns about 30 hard working aircraft. The text is taken from the Chief Executive's Statement and Review of Operations contained in the Report and Accounts for the

year ended 30 September, 1986 which will be published in late February. Copies will be available from the Secretary. Lonrho Pic, Cheapside House, 138 Cheapside, London, EC2V 6BL

Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL



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TECHNOLOGY

Sony's 8-mm Video Camera Faces a Familiar Struggle

By RICHARD STEVENSON New York Times Service

AS VEGAS, Nevada — Sony Corp., which suffered a costly strategic defeat when its Beta format failed to become the standard in videocassette recorders, is in for another long, expensive and perhaps lonely fight over a video format. Once again, this time under the banner of 8-mm handheld video cameras, Sony is challenging the dominant VHS technology being marketed by almost all of its rivals.

Industry experts who attended the winter Consumer Electronics Show in Las Vegas last week were not predicting that Sony's 8-mm format is headed the way of Beta, which is now outsold 10 to 1 by VHS. And Sony officials vigorously deny any similarities

between the battle for the camcorder market and Beta's defeat in the videocassette recorder market.

But analysts say the popularity of the new VHS Compact format should be a warning sign for Sony. VHS-C cassettes are about the same size as 8-mm cassettes, permitting smaller and lighter cam-

eras while retaining compatibility with the millions of VHS

Sony disputes that

8-mm is in trouble.

comparisons with the

and it rejects

Beta failure.

videocassette recorders "The trend is favoring VHS-C right now," said Engene G. Glazer, an analyst at Dean Witter Reynolds Inc. "Nine months ago the trend suggested that it would be 8-millimeter."
Sales of VHS-C cameras now exceed those of 8-mm for the first

time, analysts say. This marks a sharp reversal for Sony, which had been enjoying considerable initial enthusiasm for its 8-mm At stake is the dominant share of a fast-growing category in the consumer electronics industry. American sales of camcorders nearly doubled last year, to 1.1 million units, or \$1.1 billion at the

factory level, according to the Electronic Industries Association. A sales increase of nearly 50 percent is projected for this year. The battle also underscores the confusion that can result among manufacturers, retailers and consumers by the constant emergence of new and competing technologies. Audio equipment makers, for example, are in a dispute over how soon to introduce the next generation of recording equipment, known as digital audio tape, or DAT.

S SONY KNOWS from its Beta experience, a video format needs backing by more than one major electronics company. So far all of the giants, led by JVC, are going with VHS-C. RCA recently chose VHS-C after implying that it might

For most electronics companies, the incentive to go with VHS over 8-mm is obvious: Most of them are doing a booming business selling VHS videocassette recorders and do not want to

Sony vigorously disputes that 8-mm is in trouble, and it rejects comparisons with the Beta failure. "For the U.S. market last year, we have exceeded our sales

expectations," said Michael Meltzer, Sony Corp. of America's vice president for consumer video. He said Sony accounted for 25 percent of all camcorder sales last year. Sonv also notes that it is not alone in the market. Some big

camera companies, including Canon, Olympus and Kodak, none of which have any investment in VHS technology, also sell 8-mm

And Matsushita, the Japanese electronics giant that sells VHS camcorders under its JVC and Panasonic labels, makes 8-mm See SONY, Page 13

Durables Orders Up In U.S.

Civilian Demand Fuels 0.9% Rise

The Associated Press WASHINGTON - New U.S. orders for durable goods rose 0.9 percent in December from November, fueled by the biggest gain in civilian demand in almost four years, the government reported

The Commerce Department said that factory orders for durable goods, items expected to last three or more years, totaled a seasonally adjusted \$109.85 billion in December after a revised 5.1 percent in-crease in November. The November gain was originally reported at

5.9 percent. However, the November increase, the biggest in two years, was powered by a 107.1 percent rise in defense orders.

After subtracting the military surge, orders actually fell 0.1 percent in November, revised from the 0.6 percent gain originally report-

But in December, the civilian category soared 6.9 percent, the best showing since an 8.8 percent increase in January 1983.

In December, orders for military equipment fell 55.4 percent to a monthly total of \$4.62 billion as demand slackened for military aircraft. Analysts discounted the hoge November and December swings in military orders, noting that the category is highly volatile.

Orders for nonmilitary capital goods rose 5.5 percent in December following a strong 5.7 percent increase in November. This category s closely watched for signals of industry plans to expand and mod-

Analysts have speculated that the big increase in the last two months of 1986 reflected efforts by companies to order and accept delivery on capital equipment to qualify for tax breaks before the U.S. tax law changed on Jan. 1.

For all of 1986, orders for durable goods rose 1.5 percent to \$1.27 trillion, compared with a 3.7 percent gain in 1985.

In GE Unit, Pride but Few Payoffs

Slump Follows Big Investment In Locomotives

By Barnaby J. Feder

New York Times Service ERIE, Pennsylvania -- General Electric Co. and General Motors Corp. routinely racked up big profits from their locomo-tive divisions during the late 1970s. But GE, with 25 percent of the domestic market, wanted more.

We were second in the industry because there were two of us," said Carl J. Schlemmer, who has run the GE unit that produces locomotives since 1974. "That didn't fit Jack Welch's definition of second."

He was referring to John E. Welch Jr., the chairman of GE, who is known for insisting that the company rank first or second in all of its core businesses.

With Mr. Welch's blessing Mr. Schlemmer's transportation systems group, which produces power systems for transit cars, oil rigs and off-road trucks along with locomotives, plunged into a modernization program that has cost more than \$500 million

GE has emerged with what is widely acknowledged to be a "world-class" automation showcase at this 175-acre (70-hectare) complex, where it has been making locomotives since 1910. And it caught up with GM, taking about 50 percent of new orders in recent years.

But company executives have as much reason to cry as to crow. The locomotive market, always cyclical, has faller into an unexpectedly deep and prolonged recession that is robbing them of the payoff they anticipated.

rebuilding.

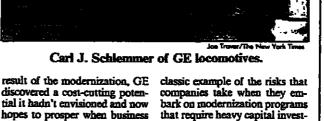
locomotives.

Manufacturing experts said

that GE's experience in Erie is a

"Our investments put us in a position to hold on to what little we have and get what's out there, but we are like a big engine idling, raring to go," said John Aymong, manager of the new computer-controlled flame-cutting shop, which produces parts that are welded into locomotive bodies. "It is disheartening."

Had GE foreseen the extent of the slump, Mr. Schlemmer said, it would not have invested so heavily and probably would have ended up abandoning the locomotive business entirely. But as a



GE's program included such GE says that its locomotive low-cost measures as improving business is limping along at 30 quality and inventory control percent of capacity - "marginand designing its products for ease of manufacture. ally profitable," according to Mr. Schlemmer. The company's But the company also poured rival, GM, has not produced any

tens of millions of dollars into locomotives since November. It computer-controlled equipment is currently depending entirely on orders for spare parts and such as a flexible machining center, a plasma-burning unit and a 12-story automated warehouse. Chastened, Mr. Schlemmer The brightly painted machines stand out as islands of modernity believes that domestic railroads may buy as few as 300 new locoin the vast, decades-old complex, motives this year, down from the which includes about 20 buildalready-low 525 reported last

The heavy outlays meant that year by Railway Age Magazine, and that demand will rebound GE would have to have sizable only to 600 to 800 in the foreseeincreases in sales just to break A typical locomotive sells for

Steven Walleck, head of man-\$750,000 to \$1 million. As reufacturing consulting for cently as 1979, the domestic rail-McKinsey & Co., said that for an roads bought more than 1,700 investment like GE's to pay off, it wild have to result in a prodnct that creates significant new See GE, Page 17

EC Grants U.S. **Grain Markets** In Trade Accord

By Peter Maass nal Herald Tribune

BRUSSELS - The European Community tentatively agreed Thursday to grant wide-ranging concessions to the United States in an accord that seemed to settle a

dispute over U.S. grain exports to Spain and to avert a trade war. The EC and the United States after three days of negotiations by telephone, reached an agreement that gives agricultural and industrial compensation to Washington for losses caused by tariffs that Spain had to impose when it joined the

EC last year. The United States said that the tariffs cost it about \$430 million

worth of corn exports.

The accord still needs final approval from EC countries by the adline of Friday evening. Offi-

cials were meeting in Brussels late Thursday to ratify the pact. "This is a political solution," said Willy de Clercq, the EC's external relations commissioner, who led the 12-member community's

negotiating team. "It solves a problem that could have led to a trade war. It could have spiraled and dragged in the rest of the world." U.S. officials welcomed the agreement, "I think we are satisfied sufficiently to call it quits," a U.S. source said. He discounted suggestions that pressure from Washington forced the EC to cave in.

"No one got sold down the river - we didn't take him to the cleaners," he said, referring to Mr. de The agreement calls for the EC

to allow annual exports of 2 million metric tons (2.2 million short tons) of corn and 300,000 tons of sorghum into Spain at low tariffs. It also requires Portugal to lift a yearold practice of buying 15 percent of its grain imports from EC mer-The United States is expected to

gain about two-thirds of the Spanish and Portuguese quotas. In the case of corn — the key area — this means about 1.6 million to 1.7 million tons of exports to Spain.

Despite concerns that EC negotiators gave too much away, final clearance by the deadline is expect-

ed. Officials said, however, that EC foreign ministers might be called to Brussels for a special meeting Fri-day if lower-level aides failed to resolve problems.

If the EC does not approve the accord by the deadline, the United States plans to impose a series of import restrictions on about \$430 milion worth of EC goods.

These duties of 200 percent would cover such goods as white wine, cheese and some alcoholic spirits. In turn, the EC has vowed See ACCORD, Page 17

GATT Delegates Reach Formula For Farm Talks

International Herald Tribune GENEVA - In what delegates for the United States and the European Community termed a fair compromise coacerning agriculture, negotiators have agreed to a formula for a broad range of trade talks beginning here Feb. 9, officials of the General Agreement on Tar-iffs and Trade said Thursday.

The compromise, the first hurdle in a four-year effort to liberalize world trade, came during an all-night session at GATT's headquarters. Washington and the EC

agreed on a time frame that the chief U.S. representative, Michael Samuels, said would allow talks on the key issue of agriculture to move "as fast or as slow as the will of the participants will let it."

Under the agreement, Washington will no longer insist on a "fast track" approach that would have allowed agriculture talks to move ahead quickly and have set a 1988 deadline for substantive negotiations on EC farm subsidies. The two sides had been sharply divided over whether the farm talks should move in step with the other negotiating areas.

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Markets Closed

Markets in Hong Kong, South Korea, Taiwan, China, Malaysia and Singapore were closed Thursday for the Chinese New Year holiday and will process also closed Thursday. will remain closed until Monday.

U.S. Aide Warns Japan **Risks Severe Recession**

WASHINGTON - Japan faces a deep recession unless it modifies its economic policies to lower its huge trade surplus and stimulate import growth, a top U.S. trade official warned Thursday. In remarks prepared for delivery

Thursday to the Japan National Press Chib in Tokyo, Bruce Smart, the U.S. commerce undersecretary, also accused Japan of being "un-willing or unable" to live up to its 1986 semiconductor agreement with the United States.

Under the 1986 agreement, Japan promised to give U.S. chip makers greater access to Japanese markets and to stop dumping semi-conductors. In exchange, the Unit-ed States agreed to hold off on steep duties on Japanese semiconductors. U.S. trade officials have said that they may cancel the agreement if Japan does not do more to

help carry it out. Mr. Smart also criticized what he called Japanese resistance to enlisting the help of foreign experts in building Kansai Airport. Japan lat-er announced that three American companies had won contracts for

the airport project.

He added, "In all of this blunt speaking, I do not mean to imply that the U.S. side is without fault. But we are facing up to our shortcomings and we will correct them. I hope Japan can do the same, for our relationship depends on it."

Mr. Smart said both nations faced economic peril if high U.S. trade deficits and high Japanese trade surpluses persisted.

"For Japan," he said, "the alternative is to increase domestic con-in the value of the U.S. dollar and sumption, either to replace the de- increase in the value of the ven clining export opportunities or to would continue unless both sides increase imports to preserve pre- "change present practices."

Bonn Revises Trade Surplus **Up 2 Billion DM**

WIESBADEN, West Germany — West Germany's merchandise trade surplus widened 52 percent last year, helped by a steep decline in the cost of oil

Thursday. The Federal Statistics Office said the 1986 surplus was a re-cord 112.2 billion Deutsche marks (\$62.9 billion at current exchange rates), compared with 73.4 billion DM in 1985, the previous record. The 1986 surplus was 2 billion DM more than a provisional forecast made earlier this month.

In December, the trade surplus registered a monthly record of 11.6 billion DM, the statistics office said.

Economists expect the volume of West German exports to stagnate or even fall slightly this year because the mark has strengthened sharply against the dollar and other major currencies, making West German 200ds more expensive in important export markets.

sent export business. There is no other choice except deep reces-

Foreigners Account for 15% Of U.S. Debt Held by Public

WASHINGTON - By the end lion was held by the public in the of the 1986 fiscal year, foreign form of Treasury bills, notes and holdings had reached \$255.3 bil-other securities while \$386.7 billion lion, or 15 percent, of U.S. government agen-ment debt held by the public, the cies, the report said. Reagan administration reported Thursday.

said in a supplement to President pated. Ronald Reagan's \$1.02 trillion budget for fiscal 1988, which begins Oct. 1.

The report said the rise in foreign holdings of U.S. securities followed debtor in the sense that foreigners increases in the trade deficit. The national debt reached a total Americans owned in foreign invest-

document said. Of that, \$1.75 tril-

It indicated disappointment that the dollar's 35 percent fall against In the year through Sept. 30, for-eigners bought \$46.5 billion in since February 1985 had not result-Treasury securities, the largest ed in as fast an improvement in amount ever, the administration trade accounts as had been antici-

Last June the government re-ported that in 1985, for the first time since early in this century, the United States had become a net owned more U.S. investments than



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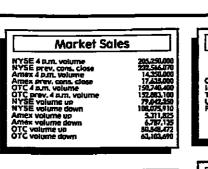
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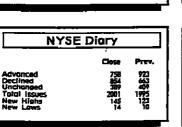
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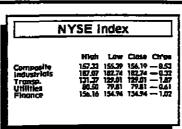
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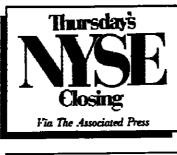


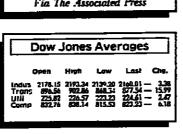


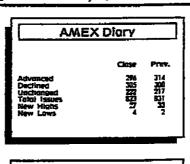


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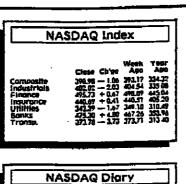


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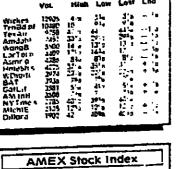
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YSE Prices Decline Slightly

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NEW YORK - Prices on the New York said. "When you cut its head off, it runs around Stock Exchange posted modest losses in very heavy trading Thursday as investors took prof-

The Dow Jones industrial average fell 3.38 points to close at 2,160.01. In the last hour of trading, futures-related selling drove the bluechip index from a 7-point gain to an 18-point loss. Late buying trimmed the decline.

Broader market indexes retreated from Wednesday's record levels. The New York Stock Exchange composite index fell 0.53 to 156.19 while Standard & Poor's 500-stock index dropped 1.16 to 274.24. The price of an average

share fell 14 cents. Advancing issues led declines 8 to 7. Volume was 205.2 million shares, up from 195.8 million Wednesday.

"There are bulls and bears and then there are pigs," said James Andrews, who heads the insti-tutional trading desk at Philadelphia-based Janney Montgomery Securities. "It's absolutely incredible. People have been buying and buying and buying and we are close enough to the top that they should consider some serious profittaking.

Mr. Andrews said Thursday's trading indicated that "the party is over for a few days." He said profit-taking might last only three or four days but could develop into the "beginning of the end of the market for a while."

"The market is acting tired," said William LeFevre, senior vice president in market strategy at Advert Inc. based in Hantford Connecti-

gy at Advest Inc., based in Hartford, Connecticut. He played down the signficance of the marker's gains since Friday's decline amid record volatility and volume.

3.00 22 16

a while before it finally collapses."

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Traders said futures-related buying spurred the market early. But uncertainty over U.S. policy toward the sliding dollar and over the direction of short-term interest rates could stall the rally, they said.

When the Treasury sells \$29 billion of notes and bonds next week, yields on the new securities may have to rise from current levels to attract buyers, analysts said.

"A rise in interest rates is almost guaranteed bad news for the [stock] market," said Mr.

Union Carbide was the most active NYSE-listed issue, rising % to 25%. AT&T followed, sliding % to 25%. It reported a sharp drop in earnings that included previously announced pretax charges of \$3.2 billion.

FMC jumped 314 to 30%. A Merrill Lynch analyst raised his investment opinion of the company, which Wednesday reported sharply Gencorp plunged 5% to 71%. Westinghouse

said it intends to end its agreement to buy Gencorp's Los Angeles television station KHJ-

The American Stock Exchange index established a new high, rising 0.31 to 299.80. Prices were narrowly mixed in active trading.

The price of an average share on the Ameri-

can Stock Exchange index rose 2 cents but losers outnumbered gainers 302-297. Composite volume totaled 18.7 million shares, compared with 17,653,100 traded Wednesday.

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MIAMI — Eastern Airlines and Continental Airlines announced air fares Thursday that at the continental Airlines announced air fares Thursday that they said for about 40 percent of available would undercut existing super- seats on Continental's mainland percent, apparently igniting a full-scale U.S. fare war. United Airlines scale U.S. fare war. United Airlines up to two days before the flight, immediately said it would match airline officials said. the fare cuts by the two Texas Air

Cosp. subsidiaries. The so-called "MaxSaver" fares offered by Eastern and Continental and matched by United will apply to all of the airlines' routes in the continental United States begin- Chrysler, IBM Sign Pact ning Sunday.

Continental said the new fares would undercut its popular Supersaver fares by 40 percent and reguar coach fares by up to 80 percent.
Texas Air, which owns Continental and Eastern, said Eastern would fly travelers anywhere in the country for \$29 to \$99 Mondays through Thursdays and \$39 to \$119 Fridays and Sundays, which are the

Examples of the off-peak and manufacturing and make it easier peak travel fares from Miami were: to record information about a to New York, \$79 and \$99; to Los

Luxembourg

DM 300,000,000

January 30, 1987

Offering Price:

Interest:

Maturity:

The special tickets will account

Tickets must be paid for when reservations are made, and they are not refundable: A passenger who cancels or wants to change a flight date loses the full ticket price.

On Plant Technology

DETROIT - Chrysler Corp. said Thursday that its motors division had signed an accord with In-ternational Business Machines Corp. to develop plant technology. The technology, described as automatic product identification, would permit the tracking and monitoring of material during

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January 30, 1997

Supersaver fares must be bought 30 days in advance, and they carry a 50 percent cancellation penalty.

"There's been increasing concern that as the number of airlines saver" discount fares by up to 40 routes, and less than that for East- shrinks, low fares will go away, ern. They may be bought any time said Continental's president, up to two days before the flight. Thomas G. Plaskett. "But the introduction of this new permanent fare will put those fears to rest and get even more people flying even more often."

> Texas Air became the largest U.S. airline last year when it took over Eastern, Frontier Airlines and People Express. Analysts said Continental could undercut the fares of its competi-

> tors because its costs are among the lowest in the industry. The announcements sent airline stocks sharply lower Thursday. Texas Air shares fell \$1.125 to \$44.75 in American Stock Ex-

change trading. Eastern has recorded losses to taling \$350 million since 1983. It reported that it lost \$136.7 million in the first three quarters of 1986,

Cadbury Against General Cinema Raising Its Stake

LONDON — Cadbury Schweppes PLC said Thursday that it does not want General Cinema Corp. to increase its 8.3 percent stake in the confectionary and beverage company.

In a letter, Cadbury's chairman, Sir Adrian Cadbury, said that "any further increase in your investment would not be

General Cinema, a leading theater chain and the largest independent soft-drink bottler in the United States, said Monday that it had bought 46.5 million Cadbury shares.

It has also filed for permission from U.S. regulators to buy up to 25 percent of Cadbury, but has said it would not make a takeover offer for at

This advertisement appears as a matter of record only.

Siemens Says Group Net Decreased by 4% Last Year

By Ferdinand Protzman

West Germany's largest electronics concern, said Thursday that world-As previously reported, Sie-

mens's worldwide group sales fell 14 percent in the fiscal year ended Sept. 30 to 47.1 billion DM from billion the previous year. In line with the drop, the compa-

ny said Thursday that it would pay a dividend of 12 DM a share, unchanged from fiscal 1985.

Dividend payments will total 576 million DM for fiscal 1986, up The company did not give a complete breakdown of earnings and sales. Those figures will be made public next week. Group figures include results of all Siemens majority-owned subsidiaries around

International Herald Tribune

FRANKFURT — Siemens AG, and unchanged dividend matched Landesbank said the lower profit

Karlheinz Kaske, the Siemens wide group net profit fell 4 percent managing board chairman, predictin fiscal 1986 to 1.47 billion Deuted in July that sales would be off on sche marks (\$830 million) from the year because of the lower dollar 1.53 billion DM the previous year, and a sharp fall in orders at the company's Kraftwerk Union AG subsidiary, which builds nuclear power stations. The unit is known

> sorb KWU, which has operated as an independent company, into the parent company in October.

In addition, a Siemens spokesman said the company was acquiring full ownership of Transformafrom 573 million DM a year earlier. toren Union AG from the AEG AG electrical group. Siemens already holds 75 percent of TU.

Echo Bay Mines Ltd. reported that 1986 net profit rose 96 percent to \$25.9 million, or 61 cents a share, compared with \$15.2 million, or 38

No price was given for the TU acquisition, which must be approved by the West German cartel office. If it is, the takeover will go into effect April 1.

Japan Awards

Work at Airport

To 3 U.S. Firms

Agence France-Presse

TOKYO - Three U.S. com-

panies have won contracts to help build an international air-

port in western Japan, officials in Tokyo said Thursday.

The three companies are Del-

note Co., Rexnord Inc. and Caterpillar Corp., the officials

said. A U.S. consulting compa-

ny, Bechtel Civil Inc., won a

Japanese reluctance to grant

contracts to foreign companies for the Kansai offshore airport

project in Osaka Bay has been

an issue in relations with the

United States. Congress has

pointed to Japan's exclusion as

a classic case of blocked access to markets, a charge it says is

underlined by the country's

huge trade surplus with the United States.

The contracts won by the

four U.S. companies are worth

13.12 billion yen (\$87 million),

Work to reclaim part of the

bay for the airport construction

sources said.

started this week.

contract last week.

cents a share, in 1985, The Canadian company expects 1987 gold production to increase by 50 percent

over 1986. Gallaher Ltd., a subsidiary of American Brands Inc., said tobacco trading profits rose 20 percent in 1986 and other sectors rose 5 percent, putting pretax profit at £117.4 million (\$179.6 million) against £109.7 million in 1985.

COMPANY NOTES

15_3 percent stake, or 33.1 million

shares, in Elders Resources Ltd. to

overseas institutional investors, El-

ders' managing director, Geoff

Lord, said in Sydney. He declined

to identify the institutions but de-

scribed them as long-term share-

not disclosed.

Maclean Hunter Ltd., Canada's biggest publishing group, said op-erating profit for the full year rose 17 percent to 69.3 million Canadian dollars (\$53.3 million) from 59.4 million dollars a year earlier. The 1985 results excluded a 5.2 million

production in Colombia with a lo-tioner E.J. Brach.

Buitoni SpA, one of Italy's lead-ing food-processing companies, has de Automotores SA. The venture is acquired control of Sasso & Figli, expected to produce 3,000 compact an Italian family olive oil concern. cars this year and 5,000 next year. The value of the transaction was Fábrica Colombiana is 85 percentowned by General Motors Co.,

Casio Computer Co. will make a one-for-20 bonus stock issue on April 21 to shareholders registered Swissair reported a 2 percent inon March 20, to repay some of the crease in passengers in 1986 to 7.24 premiums from fund raisings bemillion, but said its occupancy rate fore 1986. The bonus issues will slipped to 62 percent from 64 perbring Casio's outstanding shares to cent in 1985. The airline said finan-239.44 million from 228.03 million. cial results, to be published later, City Resources Ltd. has sold its

were "generally higher." Banque Paribas, part of the Cie. Financiere de Paribas financial group that is being denationalized by France, will call an extraordinary general meeting to seek authorization to raise its capital and make a bond issue with share war-

Jacobs Suchard Gains Côte d'Or

BRUSSELS - Côte d'Or Belgique SA, Belgium's leading chocolate group, has accepted a takeover bid from Jacobs Suchard SA of Switzerland, the Côte d'Or board

from Nestlé SA, also of Switzerland. Both bids were made this week. The price was not disclosed. Earlier this week, Jacobs Suchard abandoned a three-week takeover battle for Hero Conserven Lenzburg, a Swiss manufacturer of dollar extraordinary gain.

Suzuki Motor Co. has begun preserved foods. Jacobs Suchard recently took over the U.S. confecpreserved foods. Jacobs Suchard

said Thursday.
It said it had accepted the Jacobs Suchard offer over a takeover bid

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IN THE IHT EVERY SATURDAY. SUCCESS AND FAILURE —

SONY: Familiar Fight

(Continued from first finance page) camcorders for sale by other companies, as does Hitachi, another arge Japanese electronics concern. "Matsushita and Hitachi have made a commitment, tooled up and invested millions of dollars in 8-mm technology," Mr. Meltzer said.

As a result, Sony thinks Matsushita and others will come into the market eventually, probably when sales of VHS videocassette recorders peak and consumers begin looking for the next generation of video

Many video experts believe that mm holds a slight advantage over VHS-C in terms of picture quality and ability to build in further ad-

vances in recording technology.

"VHS-C probably inherently doesn't have the quality of 8-milli-meter," said David Lachenbruch, editorial director of Television Digest, a trade publication. "But VHS had a somewhat poorer picture than Beta, and that didn't interfere with VHS's success."

Now another technology has emerged. Samsung, the South Korean electronics concern, unveiled a 4-mm camcorder at the electronics show and announced plans to introduce it this summer

Phone Barrie Lewis-Ranwell on 01-380 5186

BUSINESS PROFILE

INDIVIDUAL CASE HISTORIES OF WORLDWIDE

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Bank of Tokyo (Deutschland)

Commerzbank

Arab Banking Corporation Daus & Co. GmbH

Bank für Gemeinwirtschaft Bayerische Hypoth Joh. Berenberg, Gossler & Co.

Bankhaus Gebrüder Bethmann

Daiwa Europe (Deutschland) GmbH

DG Bank Deutsche Genossenschaftsbank Kommanditgesellschaft auf Aktier Landesbank Rheinland-Pfalz

(Deutschland) Aktienge Vereins- und Westbank den-Württembergische Bani

Baverische Landesbank Berliner Bank

B. Metzier seel, Sohn & Co. Sal. Oppenheim jr. & Cie.

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Westdeutsche Landesbank Girozentrale

- Girozentrale -

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144 48% UAL 32% 154 UCCEL 1.00 1.9 214 10280 55% 53 53% —1% 30 349 30½ 30 30 — 14 **Brazil Offers to Yield**

Part of Its Coffee Quota The Associated Press

The Associated Press

LONDON — Brazil says it will give up one million bags of its coffee export quota if international controls are introduced by March 1 to stabilize world prices, which are at their lowest level in almost four years.

Jorio Dauster, a leading member of Brazil's delegation to the International Coffee Organization, made the announcement Wednesday at the opening of a three-day meeting called to discuss efforts to revive the export quota system.

tem. Quotas were suspended a year ago when coffee prices rose to more than \$1.50 a pound.

coffee prices rose to more than \$1.50 a pound. In September they peaked at more than \$1.80 a pound.

Mr. Dauster, who is also spokesmen for the coffee producing nations, said all the countries at the meeting believed quotas needed to be reintroduced. If Brazil were to forgo a million bags of its entitlement, that amount would be awarded to other countries.

Mr. Dauster said Brazil's offer was based on an assumption that producers would agree to a global limit of 58 million bags for the 12 months beginning March 1 and that the quotas would be distributed on the same basis as that prevailing until September, the end of the 1985-86 coffee season.

coffee season.

The 50 producer nations and 25 consumer nations in the International Coffee Organizanations in the international context organiza-tion, unable to agree on a new quota system, postponed talks on quotas in September. Brazil had a quota of 16.5 million bags under the old system. One bag of coffee equals 132 pounds Mar May Aug Oct Dec Mar Est

Quito Sets Debt Ceiling Of 30% of Export Value

QUITO, Ecuador — Ecuador, Latin America's eighth-largest debtor, said Thursday that it would limit payments in its foreign debt to 30 percent of the value of its exports, said Thurs-

day.

In a statement distributed by the Information Ministry, Finance Minister Domingo Cordóvez said the country was setting the ceiling so the debt-servicing burden "would not imply an extreme sacrifice."

Last year Ecuador spent \$996 million, equivalent to about 45 percent of its exports, to service its \$8.16 billion foreign debt, according to the central bank.

to the central bank.

In 1985, when prices were higher for crude oil, Ecuador's main export, the country spent \$994 million for debt servicing but that accounted for only 34 percent of its exports, central bank figures showed.

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AT&T, Restructuring, Posts \$1.17 Billion Loss

NEW YORK - American Tele- charge in the fourth quarter to covphone & Telegraph Co. said Thurser the costs of a cost-cutting plan day that it recorded a loss of \$1.17 that includes the elimination of as billion in the fourth quarter because of the costs of a massive plants and writedowns of the value restructuring plan, but that it managed a slim profit of \$139 million the charge would reduce net profit for the year, down 91 percent from by \$1.7 billion.

company said its phone business \$364 million, or 32 cents a share, in continued to perform well, but that the fourth quarter of 1985. Revenue slipped 4 percent to \$8.53 bilness products. The results were lion in the quarter from \$8.89 bilroughly in line with analysts' ex- lion a year earlier.

high, and our results mixed."
AT&T's chairman, James Olson, said in a statement.

that it would absorb a \$3.2 billion

AT&T's quarterly loss of \$1.17 The world's biggest telephone billion compared with a profit of

AT&T's 1986 profit of \$139 mil-"Our carnings from operations lion, or five cents a share, was down were essentially flat, our costs too 91 percent from \$1.56 billion, or and our results mixed," \$1.37 a share, the previous year. Revenue for the year slipped 1 percent to \$34.09 billion from \$34.42

Xerox Profit Fell 45% in 4th Period

STAMFORD, Connecticut (UPI) — Xerox Corp. said Thursday that its fourth-quarter net income fell 45 percent from a year earlier, to \$87 million, or 77 cents a share, from \$156 million, or \$1.49.

Revenue, from both Xerox business products and systems and financial services, increased 10 percent in the quarter, to \$3.7 billion, compared with \$3.3 billion in the 1985 quarter.

For all of 1986, net income was \$465 million, down 2 percent from with \$475 million in 1985. Revenue in 1986 rose 11 percent to \$12.9 billion, from \$11.7 billion in 1985. Financial services contributed \$50 million to the corporation's fourth-quarter income, compared with \$28 million in the 1985 quarter. For the year, the contribution was \$228 million, compared with \$30 million in

The increased contribution of financial services was due primarily to "a significant improvement" at Crum & Forster, the company's insurance subsidiary,

Dow Returns to Profitability in Quarter

MIDLAND, Michigan (AP) - Dow Chemical Co., the big U.S. producer, said Thursday that it had a \$168 million profit in the fourth quarter arter a loss a year earlier. The company's net for the three months ending Dec. 31 was equivalent to 87 cents a share, compared with a loss of \$314 million, or \$1.64 a share, in the fourth quarter of 1985.

Sales in the quarter slipped 1.6 percent, to \$2.86 billion from \$2.91 billion in the year-ago period, it said. Dow said its sales fell because of declining resales of nanothna and other feedstooks. quarter after a loss a year earlier. The company's net for the three months

declining resales of naphtha and other feedstocks.

**Dow's profit had been slashed in 1985 by a \$592 million pretax writeout of assets and the costs of reducing the work force. There were no not assets and the costs of reducing the work force. There were no not assets and the costs of reducing the work force. There were no not assets and the costs of reducing the work force. There were no not assets and the costs of reducing the work force. There were no not assets and the costs of reducing the work force.

Fourth-quarter profits were reduced by \$1 million, and 1986 profits by \$9 million, by the cost of retiring debt.

Phillips Tumbled 88% in 4th Quarter

BARTLESVILLE, Oklahoma (UPI) - Phillips Petroleum Co., the 183 Que eighth-largest U.S. oil company, said Thursday that its fourth-quarter earnings plummeted 88 percent from a year earlier because of the dramatic drop in crude oil prices. For the full year, it said earnings

Phillips said it earned \$11 million, or 2 cents a share, in the final quarter, down from \$95 million, or 39 cents a share, a year earlier. The 1985 results included a \$143 million gain from asset sales and a \$171 million charge for discontinued operations. Revenue slipped 39 percent, to \$2.38 billion, from \$3.91 billion.

For the full year, Phillips' earnings fell to \$228 million, or 89 cents a share, from \$418 million, or \$1.44 a share, in 1985. Revenue decreased 37 percent to \$10.02 billion, from \$15.8 billion the year before.

SHILL WHEN

JWT Dismisses Ad President

NEW YORK — JWT Group Inc said Thursday it had dismissed John Peters, the president and chief operating officer of its J. Walter Thompson advertising unit, and that he would not be replaced.

Mr. Peters' dismissal follows the departure last week of Joseph W. O'Donnell, the unit's chairman, who was dismissed after holding unauthorized talks about a leveraged buyout of the parent group.

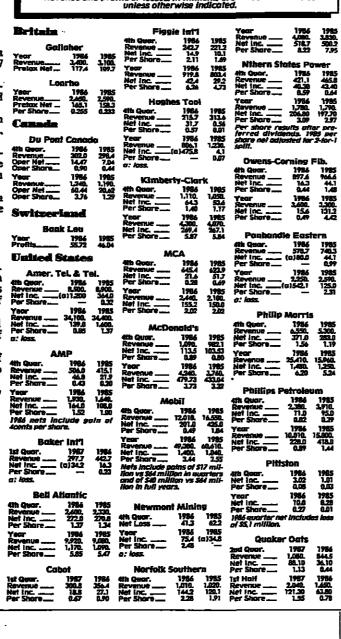
Mr. O'Donnell had also sought to replace Don Johnston, the chief executive officer of JWT Group, the company said. It said it did not expect any further departures related to the talks. Mr. Johnston reassumed leadership of the advertising unit after Mr.

O'Donnell's dismissal. JWT Group consists of the J. Walter Thompson advertising busi-

ness; the public relations firm Hill & Knowlton Inc.; the advertising agency Lord, Geller, Federico, Einstein; and a research company,

Company Results

Revenue and profits or iosses, in millions, are in local currencies unless otherwise indicated.



BUSINESS PEOPLE

Du Pont Names Woolard President

By Arthur Highee International Herald Tribune

Edgar S. Woolard Jr. has been promoted to president and chief operating officer of Du Pont Co. and Constantine S. Nicandros to president and chief executive offi-

cer of Du Pont's Conoco Inc. subsidiary. The promotions follow the announcement that Ralph E. Bailey,

62, will retire as chairman of Con-

oco. He had been Du Pont's vice

chairman in charge of energy and Mr. Woolard had been vice chairman for chemicals. Both vice chairmanships will be dropped. Mr. Nicandros, 53, had been

president of worldwide petroleum operations for Conoco. The Morning News of Wilmineton, Delaware, said Mr. Woolard now "appeared to be on deck for the chairmanship" when Richard

E. Heckert, 63, reaches the manda-

tory retirement age of 65 on Jan.

Both of Mr. Woolard's new posts have been vacant since 1985, when

ness School.

sey, has recruited Heinn F. Tom- target company and is repaid out of fourde 2d as president of its GAF the company's revenue or from Tomfohrde, 51, quit as president of specialty and service businesses for the ailing Union Carbide Corp. of Danbury, Connecticut, at the end of last year. At Carbide, many of the businesses he had been running were sold to fend off a takeover bid by GAF Corp. Mr. Tomfohrde succeeds Carl Eckardt, 55, who was named to the new post of executive vice president for corporate development at the parent company, a job that GAF indicated would give him more time to concentrate on

Mr. Heckert stepped up to the York investment firm that special-Mr. Woolard, a 1956 graduate of izes in leveraged buyouts, has pro-North Carolina State University, moted Steven B. Klinsky, 30, from

joined Du Pont in 1957, the same associate partner to general partyear that Mr. Nicandros joined ner. The firm has put together Conoco. Mr. Nicandros, a native of buyouts of such companies as Dr Port Said, Egypt, and a naturalized Pepper, Topps Chewing Gum, FL American, is a graduate of the Paris Industries, Sybron, Midland-Ross law faculty and the Harvard Busi- and Lear Siegler. In a leveraged buyout, financing is raised by bor-GAF Corp. of Wayne, New Jer- rowing against the assets of the

Chemicals Corp. subsidiary. Mr. sales of assets. Westvaco Corp., based in New York and formerly called West Virginia Pulp & Paper Co., says David L. Luke 3d will step down as chief executive when he turns 65 on July 25, 1988, but will remain chairman. His brother, John A. Luke, 61, the president, will become chief executive as well. The Luke family has run the company since it was

Fluor Corp., the engineering and mining conglomerate based in Irvine, California, said Buck Mickel,

Canada Names Financial Chief

OTTAWA - The Canadian government has appointed Michael A. Mackenzie, a partner in the Clarkson Gordon accounting firm of Toronto, to the new position of superintendent of financial institutions.

The Finance Ministry said Mr. Mackenzie, a graduate of the University of Toronto and the Harvard Business School, would become inspector general of banks next month and take over the financial superintendency once Parliament passed necessary legislation.

Canada announced plans late last year to combine the inspectorate-general of banks with that of the insurance depart-

61, would retire from his executive postitions with Fluor and its Dan-iel International subsidiary, but would remain as vice chairman.

AIRLIFT: To Beat Tariff Deadline, EC Producers Rush Beverages to U.S.

pose 200-percent tariffs by Jan. 30

aless a solution were reached The tariffs cover a range of EC farm products, including blue-mold and soft-ripened cheeses, Gouda and Edam cheeses, canned ham, endive, carrots, olives in brine, gin, higher-quality brandy, and lower-quality white wines. But of these, the most popular

and least perishable goods are the wines and spirits, and that is why their producers have rushed to beat

Finding out just how the tariffs would work was the first problem for U.S. importers and European exporters. Lawvers worked overtime to decipher them, while managers and customs brokers tried to decide upon a course of action. Meanwhile, the air-freight lines were doing a booming business.

But not all Europeans chose to join the stampede. While the esti-mated 5,000 farms in the Cognac region did not think they could take a risk, West German exporters bet that a settlement would come. "We did not increase our ship-

ments dramatically because on customs broker told us goods that were not in bond before Jan. 1 won't make it under the old tar-iffs," said Peter Nelson, general manager of Asbach International Wine & Spirits of Morris Plains. New Jersey, the American subsidiary of Asbach & Co., West Germany's leading brandy exporter.



Ted Palmer, left, James Burrough PLC's export director, and Norman Burrough, its chairman, sniff gin in a quality test in London. Burrough accelerated shipments of Beef-eater gin to the United States to beat a 200-percent tariff.

"To be honest, no one knew what a lot of Cognac," he said. For Mr. Nelson and others, the was going on," he said. "I called the White House and about everyone else in Washington to try and find out exactly how these tariffs would have worked. No one really knew." Mr. Nelson also suggested the French response could have been a

tariff dispute is a sign of unsettling problems ahead for trading partners of the United States

There is no doubt that there has been a change in the political scene in the U.S.," Mr. Burrough said. "It culture."

"It's certainly a great way to sell

looks like there will be more protectionism and we will all be the poorer for it. We haven't seen anything like this since the '30s.'

Franz Werner Michel, co-director of the German Wine Institute in Mainz, is worried less by the threatened tariffs than by growing American protectionism and the effect of the falling dollar on German ex-

Mr. Michel, who grows and bottles top-quality Riesling wines in Hochheim in the Rheingau, said his country's growers would have been little affected by the higher tariffs, which would have applied only to white wines whose wholesale cost was below \$4 a gallon.

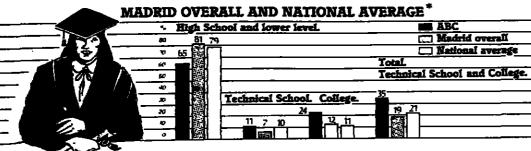
Most German and French white wines exported to the United States are priced above that level, he said. Thus, the tariff measures never threatened the bottlers of the quality "estate" wines.

"But the psychological anticipation that there will be some form of controls in the U.S. as a defense against imports has hurt, and the outlook for trade politics is poor," Mr. Michel said. "The 30-percent decline in West German wine exports to the U.S. in 1986 was due largely to the dollar's fall against the Deutsche mark."

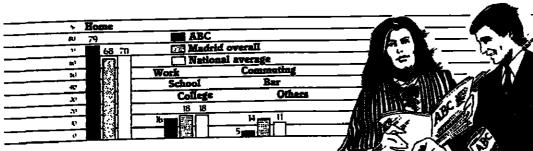
He added: "It's the consumer who is hurt by all this. It won't be just a loss of business, but a cultural loss. The U.S. would be uncoupled from the European wine tradition and 1,000 years of wine

interesting facts day by day.

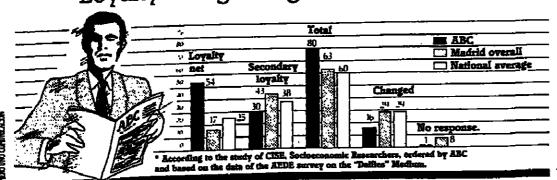
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Simultaneous translation will be provided at all times.

FEBRUARY 9
09.45 NEW TECHNIQUES OF OPERATING ON THE PARIS
BOURSE.
Yes the Persont President, Paris Stockbrokers' Xavier Dupont, President, Paris Stockbrokers' Association, Partner, Dupont-Denant stockbrokerage

10.15 Cafee
10.45 PRENCH INSTITUTIONAL INVESTOR PANEL: Industry Group Selections for Stock Market Performance in 1987. Panel participants: Crèdit Agricole, Crédit Lyannais, Groupe Victoire, Société Générale. *12.15 LAIST COMPANY DEVELOPMENTS

*12.45 LATEST COMPANY DEVELOPMENTS

12.45 LUNCH
IS THERE A MEANINGFUL CHANGE IN NATIONAL
ATTITUDES TOWARDS BUSINESS IN FRANCE?
Guest speaker:
David de Rothschild, Chairman, Rothschild &
Associés Banque.

14.45 FRENCH INSTITUTIONAL INVESTOR STRATEGY AND
SELECTIONS ON THE PARIS BOURSE.
Panel participants: AXA, Crédit Commercial de
France, Crédit du Nord.

16.15 LATEST COMPANY DEVELOPMENTS.
16.45 OPPORTUNITIES IN FRENCH TECHNOLOGY.
Jacques Maisonrouge, General Manager of

Jacques Malsonrouge, General Manager of France's Industry Ministry, former Chairman and CEO of IBM World Trade Corp.

FEBRUARY 10
09.00 THE ECONOMIC OUTLOOK FOR FRANCE.
Edouard Balladur, French Minister of Economy,
Finance and Privatization.

10.00 Coffee 10.30 FRENCH FRANC, INTEREST RATE AND BOND MARKET PERSPECTIVES.
Panel participants: Banque Indosuez, Banque Nationale de Parls, Crédit Industriel et Commercial, Group des Assurances Nationales. 12.00 LAIEST COMPANY DEVELOPMENTS

12.30 Linch
12.30 Linch
14.45 THE DEREGULATION OF FRENCH INDUSTRY AND ITS
IMPACT ON CORPORATE COMPETITIVENESS.
Alain Madelin, French Minister of Industry,
Rostal/Telecommunications and Tourism
15.45 LATEST COMPANY DEVELOPMENTS
15.45 FOREIGN INSTITUTIONAL INVESTOR SELECTIONS ON THE
DADIC BOLL INSTITUTIONAL INVESTOR SELECTIONS ON THE

PARIS BOURSE

John Reinsberg, Overseas Fund Manager, General Electric Investment Corp., Hugh Priestley, Director, Henderson Administration Plc., Steven Schoeler. Monaging Director, Oechsle International Advisors. Panel moderator: Roger Homett Head, European Division, James Capel & Ca, London.

"Major French componies giving short news-bulletin presentations of their ideal campany developments will include Bégrin-Say, Campagnie Générale d'Escritaté, Campagnie Générale des Eaux, Campagnie La Henin, Dany, Docis de France. Estioc Louis William, Rhône-Poulenc. The SEB Group, SODSHO, Thorrson-CSF, KOM-Compagnie Francoise des Rétroles.

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DM - Deutsche Mark; BF - Beiglum Francs; CS - Canadian Dollars; FF - Franch Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; p-pench; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices: b - bid change; N.A. - Nof Available; N.C. - Not Communicated; a - New; S - suspended; S/S - Stock Spill; * - Ex-Otyldend; * - Ex-Ris; ** - Gross Performance Index Decompler; • - Radempt- Prica - Ex-Coupan; • - Offer Price Incl. 3% pretum, charge.

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Thursday in the council's annual economic report to Congress.

Thursday in the council's annual economic report to Congress.

Thursday in the council's annual economic report to Congress.

The U.S. merchandise trade deficit in calendar 1986 had reached \$159.2 billion by the end of November. The December figure is scheduled to be announced Friday.

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Dollar Ends Higher in N.Y., Europe

LONDON — The dollar closed marginally stronger Thursday in erratic trading in Europe and New York as dealers hedged their positions before the release of Decem-

ber figures on the U.S. trade deficit Dealers also seemed to be squaring their positions amid wariness of heavy central-bank intervention and the possibility of a meeting of finance ministers of the Group of Five industrialized nations.

In New York, the dollar rose to 1.792 Deutsche marks from 1.7825 DM on Wednesday, to 152,60 yen from 151.55, to 5.9775 French francs from 5.9520, and to 1.5065 Swiss francs from 1,4943

The British pound also dipped against the dollar, to \$1.5355 from \$1.5405.

"It's typical after a major move-ment," one dealer said. "The dollar drops sharply and then consoli-

Trading was nervous amid speculation about a meeting of the Group of Five nations: the United States, West Germany, France,

Dealers said the skittishness was not helped by apparent heavy in-tervention Wednesday by the Bank of Japan in New York and possibly

By Dominique Jackson

Renders

LONDON — Eurobond prices

ended barely changed Thursday af-ter a day of thin and hesitant trad-

ing. Dealers said that currency wor-

ries continued to inhibit investor

"Dollar watching is the name of

the game at the moment," one trad-

er commented. "The market ap-

ders, and it's really tomorrow's

The United States on Friday is

scheduled to report its merchan-

dise-trade figures for December

trade figures we're waiting for."

THE EUROMARKETS

London Dollar Rates 1.7968 1.5389 152.00 1.5043 5.9775

in London. There was also talk that the Fed had entered the market. The steepness of the dollar's decline earlier this week, when it hit

M-1 Fell \$2.6 Billion In the Week to Jan. 19

NEW YORK -- The basic measure of U.S. money supply known as M-1 fell \$2.6 billion to a season-ally adjusted \$732.2 billion in the week ended Jan. 19, the Federal Reserve said Thursday. The figure was about in line with expectations. The previous week's level for the

M-1, which includes cash, checking accounts and traveler's checks, was revised to \$734.8 billion from

Dollar nerves subdued new-issue

Girozentrale issued 40 million Aus-

tralian dollars worth of 14% per-

Currency Fears Inhibit Secondary Market

late in the session.

the G-5 would call a meeting, European dealers said.

Although there has been no official word from any of the five gov-ernments involved to substantiate the rumors, the mere possibility that the ministers might meet and agree to brake the dollar's decline is helping to deter heavy selling, deal-

U.S. trade data for December are to be released Friday. Some forecasters have revised their projection of the anticipated deficit uprecord lows against the yen and a ward from about \$14 billion to \$16 six-and-a-half year low against the billion this week in view of the \$19 billion shortfall for November.

The market's other major prececupation is the willingness of foreign buyers, particularly the Japa-nese, to continue buying U.S. government bonds as the dollar

In Loudon, the dollar rose to 1.7888 Deutsche marks from 1.7860 DM at Wednesday's close and to 152.00 yen from 151.55. The pound fell to \$1.5380 from \$1.5390. In earlier European trading, the dollar was fixed in Frankfurt at 1.7823, up from 1.7754 Wednes-day, and in Paris at 5.9500 French

francs, up from 5.9250. ranes, up from 5.9250.
It closed in Zurich at 1.5045 ACCORD: Swiss francs, up from 1.4885.

Fed, Japan Said To Buy Dollar To Boost Yen

The Associated Press TOKYO - The U.S. Federal

Reserve intervened along with the Bank of Japan to stabilize the dollar's value by buying the U.S. currency Wednesday in New York, sources say. Such a purchase would be the

first by the Fed since Finance Minister Kiichi Miyazawa of Japan went to Washington last week to discuss the dollar's

The Finance Ministry and Bank of Japan declined to comment on Japanese reports from Washington that the Fed had intervened in the market. The sources said they were certain about the move, however, and speculated that Fed bought

about \$50 million. This would be the Fed's first dollar-support action since the Group of Five industrial na-tions agreed in September 1985 to encourage a drop in the cur-rency's value.

EC, U.S. in Pact

(Continued from first finance page) to retaliate against such U.S. mea-

Diplomats from both sides shied away from putting a dollar value on the four-year accord, but it appeared to be a generous package

At the outset of talks a year ago, ed U.S. demands for compensa-

The accord also requires the EC to reduce tariffs on several hundred million dollars of U.S. industrial

exports to the community. Initial reaction among European

industry officials was mixed, with little enthusiasm voiced for an accors that, at best, was seen as the lesser of two evils.

"We prefer this to a trade war popular five-year maturity seeing would be no winners," said a its own plant of how more efficient

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GE: After \$500 Million Outlay, Automation Showcase Is 'a Big Engine Idling'

(Continued from first finance page) demand, either through new fea-

tures or a lower price.
"They didn't change the name of the game," Mr. Walleck said. He contrasted the Erie experience with GE's renovation of its dishwasher facility in Louisville, Kentucky. GE's new line of dishwashers was able to penetrate new markets, and

Mr. Welch takes a more optimistic view. He said that the modernization brought GE foreign orders for which it could never have competed in the past, such as the contract completed last summer to supply more than 400 locomotives to China.

"We think rail transportation will be around a long time," he added. "We now have the most

cost-effective plant." Whatever Erie's future, Mr. Welch sees the experience as a model of effective damage control. When it became apparent that the market forecasts were wrong, Mr. Schlemmer and the managers

working under him quickly restruc-tured the investment program.

They canceled or delayed por-tions of the project that were aimed at increasing capacity. They accelerated existing cost-cutting plans and devised new ones.

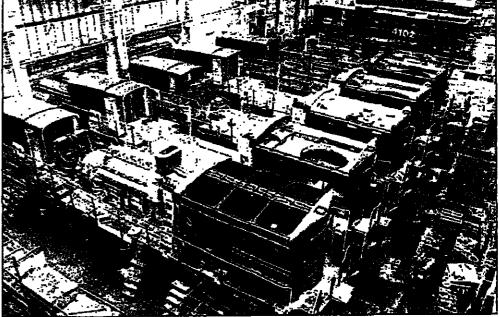
This could have been an unmitigated disaster if they hadn't adapted," Mr. Welch said.

Mr. Schlemmer said that the forecasters, including outside con-sultants, failed to anticipate the full impact that mergers in the railroad industry would have on the demand for locomotives. Nor did they foresee the international debt plans of such major export customers as Brazil and Mexico.

At the outset of talks a year ago, In addition, falling oil prices af-the community categorically reject-ter 1979 made it harder to sell new engines on the basis of greater fuel efficiency, once a major selling

> The biggest error, however, was underestimating the impact of gains in productivity by the domestic railroads. Deregulation has enabled them to abandon peripheral routes, schedule their exist motive fleet more efficiently and capitalize on the performance of the newest generation of engines.

The mistake haunts Mr. Schlem-



Diesel engines on the assembly line at the Erie transport systems plant.

ing the same kind of thing we were," he said. "Everyone in the heavy industrial sector of the econ-

Neither Mr. Walleck nor any other consultant is saying it is easy to parlay a modernization program into radical market gains. Such blue-chip corporations as International Business Machines Corp. and John Deere & Co. have been plagued by weak sales in typewriters and tractors after investing huge sums in modernization projects that rank as major engineering

GM's electromotive division, which has invested \$600 million since 1982 in locomotives and related business, faces a similar up-

hill battle to post healthy profits. "It shows how difficult adjustment is, particularly in capital-in-tensive industries that are not growing rapidly," said Michael Porter, a Harvard Business School professor and an expert on international competitiveness. "You are choosing among bad alternatives."

But Mr. Porter said that such The sale, however, does not involve the company's extensive and valuable Disney World vestment must be risked nonethe "Too many companies will holdings in Orlando, Florida, face that situation without investthe company said.

needs for materials."They were do- high, both because of the project's

scope and its timing.
It tried to minimize the risks by using outside consultants and invitomy has been on a productivity ing railroads to make suggestions on design changes.

Disney to Sell

Arvida Assets

BURBANK, California -

Walt Disney Co. has agreed to

sell the real estate assets of its

Arvida unit to an affiliate of JMB Realty for \$400 million in

cash, short-term notes and as-

sumption of certain liabilities,

The agreement is scheduled to close May 30. Arvida is de-

veloping more than 20 commu-

nities in Florida, Georgia and

12 Month High Low_Steck

TuesMm 29Cnins 25

Disney said Thursday.

When market projections

primarily to increase capacity from 600 units to 800 was canceled while other plans aimed at cutting costs were accelerated or added.

Today, bare patches of concrete are visible alongside the gleaming stations in the \$16 million computer-controlled engine machining center, a mute testimony to the company's change in plans and its hopes that more equipment will someday be needed.

the first, \$316 million phase, GE

began modifying the plans. About \$50 million in investment intended

The number of white-collar employees has fallen since 1983 by 43 percent to fewer than 1,500; the blue-collar force has been halved to 3,600. The Erie plant has reduced its annual operating costs by \$200 million, more than 25 percent, ac-

cording to Mr. Schlemmer. Neither GE nor GM releases earnings figures for their transport groups. Although Mr. Schlemmer said that GE's unit is only marginally profitable, he maintained that the latest round of cost-cutting has left GE Erie with tremendous lever-

age in the event of an upswing. "We are now structured so that a little more volume will make it look like the company needed five more investments like this one," he as-

Thursday's

and 1986. Most analysts expect a cunt of 2%, although it had man-slightly better figure than Novemaged to remain within its fees dur-

NASDAQ prices as of Via The Associated Press

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cent bonds due 1990 at a price of 1014. The issue, led by Banque Paribas Capital Markets, generated peared to shrug off the unexpected surprise among dealers because of the recent gint of Australian paper. surprise among dealers because of Rheinland is the fourth borrower to tap the sector so far this week. Wednesday's 62.5 million dollar deal for Eurofima slipped to trade well outside its total fees at a diso-

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ber's record shortfall of \$19.2 bil- ing when-issued trading on

The day's other issue emerged as activity until two issues emerged a 90 million Canadian dollar deal for the Belgian rail system, Societe Nationale des Chemins de fer Landesbank Rheinland-Pfalz Belges, launched by LTCB International. The non-callable issue carries a coupon of 8% perent and is priced at 101%.

in other sectors, dealers noted that ECU-denominated bonds were marginally firmer, with attention still focused on Wednesday's two-tranche, 350 million ECU deal

for the European Community. Both tranches were quoted just within their fees, with the more that would never finish — there mer because GE had examples in

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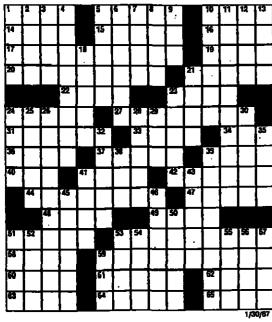
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(Australia) 46 Čertain fisherman's jangling sound back, penny or

52 Spread on 53 Portend 54 Arabian bigwig 55 Baseball stats 57 "Auld Lang

© New York Times, edited by Eugene Maleska. DENNIS THE MENACE

"My Mon's a speed reader! Dad says she

GOES THROUGH CHECKBOOKS LIKE THERE'S NO TOWORROW."

JUMBLE THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

JOKE ABOUT THE

BROKEN HEATING

53 Musical instruments: 18th century 58 Soprano Gluck

65 Anglo-Saxon laborer

26 U.S.A.F.

29 Wrath (singly) 35 Ballads 38 Constellation

39 Capital of 41 Vipers 43 America's Cup competitor 45 The — Continent

50 Metallic. 51 Word with

59 Headpiece

PEANUTS MAYBE WE COULD MAY I A PEANUT HI, WOULD YOU MIND IF ISN'T YOUR LUNCH KIND SHARE .. I HAVE A ASK WHAT BUTTER SAT HERE AND HAD OF OLD FOR ME? PASTRAMI ON RYE YOU'RE SANDWICH LUNCH WITH YOU? EATING? WITH MUSTARD

BLONDIE A REALLY A NEVER MAKES A LIAR OF HIS WIFE HEAR A NOISE DOWNSTAIRS You're just going Down for a snack

BEETLE BAILEY HOW COME WE AS: NEVER HAVE ANYTHING LIKE MY MOTHER USED TO HAVE? 1-30 Ø







REX MORGAN I'M SURE GREG PICKED UP THE SAFE DEPOSIT KEY! IT WAS RIGHT HERE ON THE MAYBE I SHOULD CALL THINK I CAN HAVE MORE) FUN ON A CARIBBEAN CRUISE ALONE! DRESSER? HE COULDN'T HAVE LEFT IT AT THE TYPE TARMHOUSE!



BOOK BRIEFS

OVERFLIGHT, by Charles Neider. New Horizon, 156 Fifth Avenue, New York 10019. 218

pp. \$14.95. Charles Neider is a Mark Twain scholar and inveterate traveler to Antarctica. In the latter capacity he has written one of the best books about the remotest continent, "Beyond Cape Horn: Travels in the Antarctic." His latest work, "Overflight," is a novel set in the same locale. Perhaps inevitably, its plot centers on that quintessential antarctic enterprise, surviv-

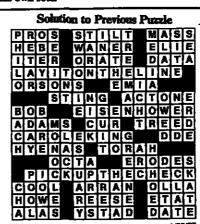
The title refers to those specials allowing passengers to peer out of plane windows at the human habitations of McMurdo Station and at the raw grandeur of 12,500-foot-high Mount Erebus, an active volcano. Invited to be the commentator on one such trip, Joel Stevenson, Neider's narrator, a fiftyish historian, survives a crash, then accedes to requests from the families of two dead fellow-passengers: He will return to the crash site by helicopter and scatter the victims' ashes. Caught in a downdraft, the helicopter crashes, too. Stevenson and three others live—only to face the prospect of temperatures down to 40 below. Good as Neider's account of the first disaster was, the second episode is better.

"Overflight" is imperfect. Stevenson remains an obscure figure throughout, and his perfunctory love affair with a nurse 20 years nis junior seems a sop thrown to romantic readers. But these flaws pale next to the vividness of Neider's scene painting, the authenticity of his crisis psychology (he himself survived a helicopter crash on Erebus) and the intensity of his passion for Antarctica.

(Dennis Drahelle WP)

PALAIS-ROYAL, by Rickard Semett. Alfred A. Knopf, 201 East 59th Street, New York, N. Y. 19022.

In this, his third novel, Richard Sennett proposes to tell the story of two brothers entirely through letters, diary entries and other found bits of writing. The backdrop is 19th-century Paris and London; the characters, Frederick and Charles Courtland, sons of a good English family - the first, a precocious and somewhat arrogant young architect; the second, a lapsed minister given to moody rumi-nations about faith and doubt and the state of



The story, briefly, is this. Frederick - whose precocity and struggles with Establishment powers recall qualities of earlier Sennett heroes has been summoned to France by one of that country's leading architects to assist in the building of the Galerie d'Orléans in the gar-dens of the Palais-Royal. While enjoying the distractions of Paris, Frederick meets Anne Mercure, a spirited actress, with whom he falls ... in love — the two will wind up living together, though they will never marry. His brother Charles, who has followed him to Paris, soon becomes friends with Adele, Anne's daughter from a former liaison, and the two gradually begin a rewarding intellectual and spiritual

Exchange.

Though Sennett has done a painstaking job of orchestrating historical details and an adequate job of simulating authentic-sounding 19th-century voices, he fails to take full advantage of the narrative benefits afforded by the epistolary form — its capacity to depict varying points of view and to emphasize the ambiguities of truth created by subjectivity and missed connections. Perhaps as a result, the characters seem a fairly boring lot, defined by one or two italicized traits and propelled along all too predictable tracks. In the end, these characters may succeed in teaching us some thing about 19th-century Paris, but they do little to engage our attention as palpable hu-(Michiko Kakutani, NYT) man beings.

FALSE PROPHETS, by Alexander Kohn. Basil Blackwell, 432 Park Avenue South, New York, N. Y. 10016.

Among the many scientists and doctors whose names adorn the pages of "False Prophets," I have found myself haunted by three in particular: Johnson S. Caulder, Ph.D.; Lawrence D. Bergmann, M.D., and Myron C. Fil-stein, M.D. All three are thanked at the end of a paper published in the New England Journal of Medicine in 1981 — Caulder for perform. ing the amino acid analyses." Bergmann "for obtaining the heart tissue during pacemaker placement." Filstein "for referring several family members" —and they sound a solid enough trio. The only trouble is that none of them actually exist; they were being invoked to prop up a series of findings which were themselves in all probability fictitious.

Deceptions as blatant as this are -- as far as anyone can tell - rare in the annals of science; but they represent only one end of a broad spectrum of possible scientific cheating. At the other extreme are errors that are at least partly the product of wishful thinking or a failure to guard against bias; in between come numerous gradations of what the Victorian scientist Charles Babbage classified as "trimming" and "cooking" (manipulating the data, suppressing inconvenient facts), along with plagiarism, making bogus claims about the probable course of research and the more subtle varieties

of Babbage's third category of misconduct, outright "forging."

In "False Prophets" Alexander Kohn surveys the entire field of dishonesty in the natural sciences and medicine, with a side glance at archaeology, paleontology and one or two other branches of scholarship. Kohn tells his story (John Gross, NYT)

BRIDGE

was almost sure to be entryless.
She therefore produced the diamond ace, hoping that dummy would provide a cine about

to do next. It did and she fol-

lowed with the diamond

ion stocks via AP

Jan. 28

By Alan Truscott

HISTORICALLY "speak-ing, neither tennis nor bridge have been popular in trump contract. The two-dia-Germany. But the changing pattern in tennis, exemplified by Boris Becker and State mation.

Graf, may soon be matched in mation.

The re-Boris Becker and Steffi asking South for further infor-

hampionships in Miami.
Ron Andersen of Dallas,
who has one of the world's largest collections of master points, suffered a crunching defeat in a match in which he faced Sabine Zenkel and Dan-

"They appear," he reported, "to be bright, personable young distractions for all their male opponents. . but they are really dangerous, aggressive, fine bridge players who should be required to warn their oppor

queen, hoping that her partner As evidence Andersen cited held the ten. the diagramed deal on which She did, and the game was he and his partner. Mark Lair,

duly defeated when the dereached a normal three nofense scored three diamond mond rebid by North was arti- tricks as well as the two black ficial, "new minor forcing," The routine lead of the dia-

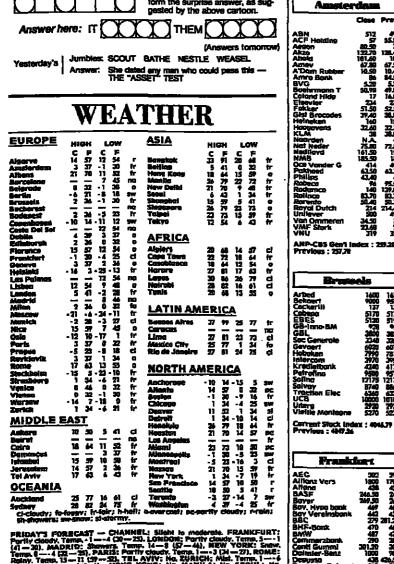
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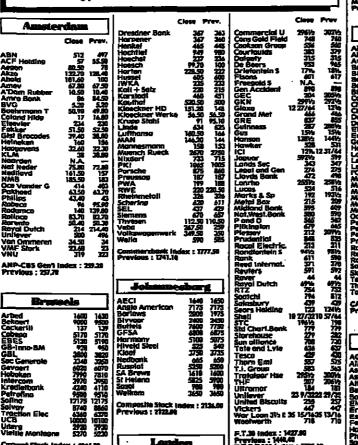
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World Stock Markets Via Agence France-Presse Jan. 29

Closing prices in local currencies unless otherwise indicated

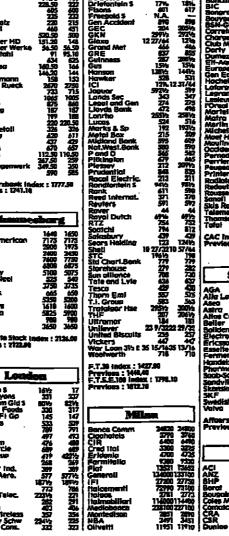




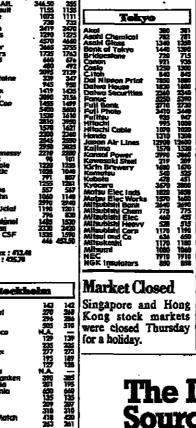
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Frankfurt









N.Q.; not quoted; N.A.; not available; xd; ex-dividend. The Daily Source for International Investors.



on the

SPORTS

helm what it means to the boat,"

said Kookaburra II tactician Peter Hollis. "No one else has that."

If its hull is conventional compared with that of Stars & Stripes,

Kookaburra III's keel is an ad-

vance that started a trend in Fremantle. Its wide, swept-back wings spawned imitators in Heart of America and Steak'n Kidney, both

of which improved dramatically af-

ter going to big wings early in the

the state of the art of onboard com-

puters, installing 400 pounds (181

kilograms) of batteries and a Digi-

tal MicroVax II computer that gives constant readouts on weather

patterns, navigation information,

sail trim, tactical options and wind

conditions, along with scores of

The Kookaburra camp is differ-

ent from that of any other 12-meter operation in that practically every-thing is built and serviced within

the camp, from bulls to keels to

masts to sails, by a 107-member staff. It is the biggest in the cup

competition.

Whether bigger and more expen-

sive is better and faster is yet to be

Marshail, for one, wasn't over

other functions.

Kookaburra III also advanced

Kookaburras Paid the Price for Success change and then feel the helm what it means to f

Washington Post Service FREMANTLE, Australia -One of the mysteries of the 1987 America's Cup final is how the Australian entry, working in its back yard, managed to spend \$5 million more than the U.S. challenger, campaigning halfway

kevan burra effort accomplished when promised, leaving no stone unput in its quest for a fast 12-

The Kocksburgs had to start from scritch," said Peter van Oosfrom straich, said Peter van Oossanen, the Dutch tank-testing wizand who helped develop Anstralia II,
the wingrid keel flyer that won the
opp three years ago, and who has
helped develop Kookaburra III.

Van Oossanen said seven cup
sendiestes came to him for tank-

syndicates came to him for tanksyndicates came to him for tankseating and computer design services this time, but that almost half he work he wound up doing was for the Kookaburras, who in their first effort at the cup tesses of half and keel design over and over again.

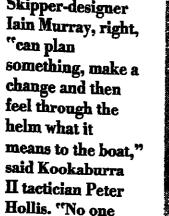
over again.

Skipper-designer Iain Murray,
like his opponent, Dennis Conner,
has said that a fast boat, not crew
work, organization or tactics, is the

of the manufacture tank and mouseurs or testing at the manufacture tank and on-the-water testing to the American cup de-Minray has the Anstralian cup de-The reason of the kind to tail make _

Michael Jordan was surprised by the basketball Wednes-day night, his Bolls by the Celtics' 132-103 victory.

Nets Out, Coach Out of Words



Kookaburra III, Murray's greengold 12-meter, had a summer of hard, close racing against Kookawaterline length and a few hundred burra II and rival Australia IV from cupholder Alan Bond's camp. pounds in weight separating the two, with both boats on the big side But after a new keel was fitted in December, Kookaburra III found a burst of speed and wound up beating Australia IV, 5-0, in the final trials to pick a defender.

else has that."

On Saturday, Kookaburra III will go against Conner's Stars & Stripes in the first race of the bestof-seven series for yachting's top prize. After looking over both hulls at official measuring sessions this week, Murray said there were enough differences that "someone's right and someone's wrong." Both camps came to the same

It is "well-balanced and tacks beautifully," said van Oossanen. "I've never seen a boat tack so quickly and lose so little speed in tacking."

The combination of smooth, graceful lines and an efficient winged keel gives Kookaburra III strong performance downwind, nnlike Stars & Stripes, but it could be vulnerable on upwind legs on which the U.S. boat is extremely fast and stable.

The actual lines of Kookaburra III have to be largely guessed at, because it remains shrouded in secrecy behind locked doors and privacy skirts at the Kookaburras' well-guarded compound.

But Murray has said frequently that it is a fine performer in all weather conditions, and results so far back that up.
John Marshall, the Harvard-edu-

cated design coordinator of Stars & Stripes, gives Murray much of the credit for Kookaburra III's design

"He designed all his own 18-foot skiffs," Marshall said of the sixtime world champion in the Australian 18 class, "and that's a highly competitive class with a lot of very advanced technology."

Murray, 28, studied naval archi-

tecture for one semester but quit to go out and design boats. The bookwork was boring he said, com-pared with the thrill of designing a winner by the seat of his pants. Dave Wohl, said after the Clippers'

The Clippers, who own the Kookaburras from naval architects league's worst mark, 6-36, also have John Swarbrick and Alan Payne, Murray had help designing the

work of van Oossanen. But most sailors in the camp say the ideas

came from the skipper. "He can plan something, make a



ably isn't more than a few inches in

But there the similarity ends. Stars & Stripes has a radical, bulbous hull shape below the water, whereas Kookaburra III evidently has the cleaner, graceful lines of a more conventional 12-meter stretched out to larger size. coupled with a high-tech keel with

wide wings on the bottom. The result is a boat that will turn and maneuver better than Stars &

We know a lot about how they where they are," he said, "but you have to measure the result, not



Tamara McKinney sped through the fog at Crans-Montana, taking the lead with a first-run time of 42.56 seconds.

McKinney Sweeps **To Slalom Victory** At Championships

By Piero Valsecchi The Associated Press

CRANS-MONTANA, Switzerland — Tamara McKinney of the United States, with the fastest time in each run, swept to victory Thursday in the slalom part of the women's combined competition at the Alpine Ski World Championships. Later in the day, men's superstar Marc Girardelli reinjured his left shoulder in downhill training and, with many skiers complaining about conditions on the course, organizers

hill from Friday to Sunday. McKinney, the 1983 World Cup overall champion, was timed 42.56 seconds for the first run. Then, with a flying finish, she recorded 42.62 on the second run down the Cherzron course. Her total, I minute 25.18 seconds, was almost a full second faster than that of Switzer-land's Vreni Schneider, a giant-sla-lorn star who was timed in 1:26.06.

switched the men's combined down-

In third place, at 1:26.17, was defending champion Erika Hess of Switzerland. Hess was second after the opening run, timed at 42.83 through \$1 gates, but lost time on the second run, when she clocked 43.34 on a 53-gate course.

The defending World Cup over-all champion, Maria Walliser of Switzerland, was disqualified from the combined for missing a gate The downhill part of the com-bined was to be run Friday.

McKinney will need every bit of her slalom advantage to win the combined. She has raced in just one World Cup downhill this season, while Hess is a stronger downhiller and downhill points count more than slalom points in the complex

combined scoring formula.
"I tried to pile up the maximum oossible advantage in slalom," said McKinney. "I know I'm not really good in downhill." Snow on Wednesday postponed

the women's combined downhill until Friday, when it was to be part of a combined doubleheader. The snow stopped overnight, but

the problem Thursday was fog, which covered the middle part of the course in the first run. That was where Walliser missed the 22d gate on her way to a relatively slow 47.57. The judges disqualified her after re-viewing videotapes of the race. In the second run, the fog had

moved up the mountain and clouds covered most of the course. But through both sun and shadow, Mc-Kinney was the swiftest.

She shot out of the chute in the first run to clip three-quarters of a second off the fastest previous time schneider had taken more than a second off Sylvia Eder's then-fast-est time, McKinney started slowly but picked up her pace on the bottom half of the 497-meter (542-yard) circuit, more than making up lou, said he would not intervene in the second deficit to her Swiss

Killy Resigns Olympic Post

PARIS - Jean-Claude Killy resigned Thursday as president of the organizing committee for the 1992 Winter Olympic Games in the French Alps, only 17 days after taking the job.

Killy, winner of three skiing gold

medals at the 1968 Olympics in Gre-noble, quit in the midst of a controversy over his decision to move the men's sialom race from Tignes to his hometown of Val d'Isere, and the women's downhill and super giant slaiom from Menuires to Meribel. The moves drew strong protests

from the mayors of the towns that lost the events. Killy's spokesman announced the resignation in Geneva.

"I wanted to organize games for sport and for the athletes and above ill within the framework of economic_reality," Killy's statement said. This seems to me to be no longer possible. I will leave my place to those who think differently

Killy said he would attend a meeting of Savoie region mayors, which is scheduled for Thursday at Chambery, but that he decided to resign in advance "so as not to leave the impression of backing down from the mayors."

The decision to move the races was announced Tuesday, and described as a means of cutting costs and helping concentrate events that were scattered around the Alpine region in eastern France. The mayors of the region's ski

resort towns then complained that they had not been informed in advance of the decision

Albertville mayor Henry Dujol said it was "recreitable that recorts across the finish line for the lead. that have worked on the Olympic In the second run, after bid for four years are brutally put

a .02-second deficit to her Swiss the dispute.

Super Winner, Super Loser

By Thomas Boswell Washington Post Service

WASHINGTON - Something in the nature of the National Football League doesn't love a close Super Bowl game. Just as curious, there's some perverse force that doesn't love the team that wins

What everyone has been noticing for XXI years is that Super Bowl games seldom have a fourth quarter, the issue having been settled by then. Even rival television networks anticipate this, and schedule movies to begin an hour before the game

While most know that 15 Super Bowls have been decided by double-digit margins, and that only four by fewer than seven points, there is an unknown corollary: the larger the margin of victory, the worse the winner does the following season. The New York Giants should enjoy their hour of glory. Here's why.

The last 10 teams who did what the Giants did win a Super Bowl by more than two touchdowns - fizzled the next season. Not one of the 10 repeated as champion. Only one reached its conference championship game. Two had losing re-cords. Another missed the playoffs.

When you win the ultimate game in ultimate fashion, what do you do for an encore? Usually, rest on your laurels, become a celebrity, and fall flat on your rich and famous face.

Perhaps the Chicago Bears' William Perry was the best illustration of what Super Bowl success Perry did print advertisements for Alberto-Cul-

ver, Georgia Pacific, Mr. Big Paper Towel, Long Underwear, Hair Care Products, Duke Manufacturing, Levi-Strauss, Shakespeare, Drexel Burnham and Carrier Transicold. The 300-pound (136-kilogram) Bear banked \$300,000 for an appearance at Wrestlemania 2 — where he was picked up and thrown out of the ring by Big John Studd, who is 6 feet 10 inches (2.08 meters) and weighs 367 pounds.

bar mitzvah. They say everybody has his price. But The Fridge was a one-man closeout sale. And a whole team doesn't have to go for the

greed to lose its collective edge. It's enough if a few key folks forget their diets or their weight lifting. From the days of Hank Stram and the Kansas City Chiefs ("The I formation is the offense of the '70s") to Mike Ditka and the Bears (whose 46 was supposed to be the defense of the 1980s), the NFL has followed this pattern.

"It's really tough to handle great success and come back with the same hunger," said the Washington Redskins' general manager, Bobby Beathard. "I picked the Giants to win big, and I'm glad they did. I've told myself they won't be able to Coach Bill Parcells kept the Giants' hat size in

check all season, and, said Beathard, "I heard Parcells really laid into them the minute they got in the locker room after they beat us, 17-0. He chewed them for everything they did wrong. He's got a knack of knowing how to keep them on edge. But how do you chew out a team that wins its postseason games by 103-25?

The only good excess is utter excess. And that's been the Super Bowl's calling card. The pregame hype is only approached by the postgame analysis. However, it looks suspiciously like these Super

Bowl distortions may have a ripple effect.
It is possible that huge buildups contribute to huge blowouts. And, in turn, can these routs lead So, although the Giants may live in New Jersey, they can see Manhattan, and perdition, on a clear day. Abandon hope, all ye who come under con-

This blow-out-to-bust syndrome has been around for 21 Super Bowls. It's probably here to stay for awhile. And don't worry too much about the Giants next season. They probably took care of the Denver Broncos, and themselves, too, last Sunday.

Basketball

lost eight of their last nine games,

seven straight on the road, and

were 11-31 this season, the perfor-

mance had to be something special.
"We cheated the owners out of

- U.S. College Leaders U.S. College Results

SCOREBOARD

United Press International

day night -- they became

the fifth team to have lost to the Los

NEW YORK — The New Jersey

Nets joined an exclusive club

(](::111 // ::110'r Bill Angeles Clippers this season.

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SOUTHWEST
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Texos Christion 64, Rice 38 FAR WEST

World Championships (At Cruss-Montana, Switzerland) WOMEN'S COMBINED SLALOM

Skiing

13. Michelle McKendry, Conada, 45.95

15. Carole Merle, France, 46.48-46.96-

Hockey

National Hockey League Standings

19 22 8 46 191 200 Voncouver 1 1 1 1—3 19 22 8 46 181 174 Education 1 4 2—7 7 29 26 5 45 125 224 Tikkonen (25), Gare (1), Nepter (7), Kurrl 2 (32), Summonen 2 (8); Suffer (14), Skriko 25 22 7 57 177 169 (27), Hodsson (7), Skets an seed: Vancouver (25 19 6 56 183 142 (on Mooe) 13-6-12—31; Edmonton (on Broder) 7-12-4—22. 19 25 7 45 166 187 deur) 7-12-4—22. 19 25 7 45 166 187 Hew Jersey 9 2 8—2 14 30 6 34 164 199 Les Asyeles 4 8 2—4 Appelles Conference Neuris Division 22 21 5 49 188 177 (77), Sublimon (21), Shotsee soot: New Jersey (21), Erickson (12), Robbitolle (30): Johnson (21), Erickson (22), Shotsee soot: New Jersey (23), Micholis (17), Fox (15), Carsen (27), Erickson (27), Shotsee soot: New Jersey (2

Transition

TEAM NHL-Named Bob Pullord on N.Y. RANGERS—Named Phil Escelin, general manager, bench cosch for rest of sec-son. Sold Ten Webster will coach the team during practice.

The Associated Press

until mid-March, a tourist office this year they didn't come," said process and hotel spokes and hotel "But we expected more tourists this Search of the Parch of the land - For shopkeepers and hotel

owners in this Swiss resort, the Alpine Ski World Championships spokeswoman, who asked not to be have failed to bring the anticipated identified.

"But we expected more tourists of the championships," said the pine Ski World Championships spokeswoman, who asked not to be have failed to bring the anticipated identified.

"The only legacy of the championship is a little bit of infrastructure and an enormous debt," added Bon-Some taxi drivers said the tour- vin, who was mayor for 32 years.

Expected Boom Has Been a Bust for Swiss Resort

For Alberto Figuereido, a reswere "a dead time. We thought

Some taxi drivers said the touronly half of Crans-Montana's said the tourists had left town just before the started Tuesday.

Local businesses blamed orgathe championship, mainly by racers and the news media, according to the tourist office.

Bookings are full for the big tourist season, which starts immediately after the championship with school winter vacation and runs

Some taxi drivers said the tourists had left town just before the starts into take buses or other pushed to win, who was mayor for 32 years.

The Crans-Montana championship is the most expensive ever, at startly.

Local businesses blamed organizers for scaring off potential of \$2.6 million. Half of the shortfall will be covered by the Swiss government, but the rest must be raised by regional and local authorities.

"I wouldn't have staged it," Bonvin said. "Crans-Montana is alinterpolated debt town just before the crans-Montana championship is the most expensive ever, at startly."

Crans-Montana's problems have of \$2.6 million. Half of the shortfall will be covered by the Swiss government, but the rest must be raised by regional and local authorities.

"I wouldn't have staged it," Bonvin said. "Crans-Montana championship is the most expensive ever, at startly."

Crans-Montana's problems have been similar to those encountered by Bormio, Italy, when it hosted the last world championship, in 1985. Then as now, organizers were seeking long-term publicity benetitus for the big will be covered by the Swiss government, but the rest must be raised by regional and local authorities.

"I wouldn't have staged it," Bonvin said. "Crans-Montana is already well-known, and we could paying dearly for them.

INTERNATIONAL CLASSIFIED (Continued from Page 5)

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agan been ider-ensi-ne."

nan, the

coached, outhustled and any other money tonight," said Buck Wilcouts' you want to put in front of a
good adverb," the Nets' coach,
Dave Wohl, said after the Clippers'

The Clippers, who own the Basketball Association. "We took and Denver, the latter team twice. them lightly. We played as poor a game as we have in a long time."

Basketball Association. "We took and Denver, the latter team twice. "I'm not overly excited" about the victory, said Darnell Valentine, who Considering that the Nets had scored 20 points for the Clippers.

roop Cuts Reopt

Fight for John.

OBSERVER

A Heap of Wallpaper

By Russell Baker N EW YORK — It takes a heap of livin' not to feel envious when you read about television newspeople making \$1.2 million per year. Fortunately, a heap is the precise amount of livin' I have now undergone. I tried to explain this to the television man who tried to hire me, He was one of those men unlimited supply in television, and when I told him I couldn't stand earning \$1.2 million a year, he said, "Call me Gordon."

I don't call strangers by their first names. One disadvantage of getting a million a year for work of no consequence is that you probably have to give the palsy-walsy first-name treatment to people you dislike because they have the power to cut you down to \$200,000 during fits of indigestion. "So what's your last name?" I

asked

"Gordon," he said. "Your name is Gordon Gor-

"Gordon G. Gordon," he said. When I was born my mother was enchanted by the Morey Amster-dam show. She wanted to help me grow up and be in television."

He changed tack, hoping to make my mouth water. February was coming up. Where did I plan to

At my new home in Burgville, I said. I have just moved to Burgville and want it to be my hometown. "Why sit around freezing your toes in Burgville when with a mil-

lion per annum you could spend Februaries basking on the Islet of Langerhans?"
I did not bother telling Gordon Gordon that twice in life I had

tasted the thrill of making big bucks and found it gall. Those bucks were not big as TV bucks are big, but for a lad who started at \$30 a week, whose dream

was someday to earn \$5,000 a year and experience a two-week vacation in Asbury Park before he died - for such a lad, those were big bucks. What did I discover? First, that as soon as you acquire big bucks,

the house has to be redecorated. Suddenly you are confronted with terrible decisions, mostly about wallpaper. I like wallpaper, but only as long as I don't have to think

millions, the massive ensuing vol-ume of wallpaper decisions would probably destroy my marriage.

I won't even mention what happens when you get home from the office, mouth set for a little muscatel and corned-beef hash by the telly and find you have to eat out because the kitchen wall has been knocked down. I especially won't mention what happens in June when you say, "Let's take two weeks vacation in Asbury Park," and are told it's financially impossible, weren't you listening last night when told the wallpaper people were suing for payment?

When incredible sacrifice finally enabled us to pay the last of the bills, I said never again to big bucks. Then, in spite of myself, came an unforeseeable windfall and catastrophe. After the redecorating, I sought professional help: accountants, lawyers, investment advisers, bankers, wizards with astonishing powers (they said) of tax

Friends who survived immense salaries told me such people were essential to involve me with nonexistent cattle and real-estate projects so obviously doomed to lose millions that I would prosper on magnificent tax losses.

Soon I was lost in the most baffling, nonsensical idiocies ever conceived by the mind of Congress. It was worse than college the year I decided to take calculus.

What's more, almost all my experts, who were collecting piratical fees for their services, were incompetent. Accountants got the arithmetic wrong. Tax finaglers forgot to warn me about several of New York City's recently invented tax gouges. Lawyers couldn't agree whether I was entitled to keep enough of the money to finance two weeks in Asbury Park (the most optimistic legal opinion) or

ought to go straight to jail.
An amok IRS machine still faithfully sends me letters threatening to destroy me and all my loved ones, and probably will if I call attention to myself by joining television's million-a-year brigade. It must be awful for the poor devils making those bucks. And so many of them named Gordon.

New York Times Service

A Record Producer at Work

By Andrew Clark BASEL — Gerd Berg's name appears in small print at the bottom of the record jacket, but at recording sessions his influ-ence looms large. Berg represents a dying breed — the recording producer who combines roles as wide-ranging as technician, critic, psychologist and hard-nosed As one of the EMI record com-

pany's longest-serving executives, Berg, 59, has a commanding overview of the classical record industry's development from the era of 78s to the compact disc. His verdict on the industry's current priorities is not com Our cultural life is being debased. Commercial managers — the people who give the final goahead to recording projects — feed on other people's reactions, limiting their vision to what they already know. That's why you have so many versions of Beethoven's Fifth in the catalog. The ground is getting narrower: There was a time when people recog-nized that exploring new areas of repertoire was commercially important. Now it's becoming im-

Over the last 30 years, Berg has supervised recordings in most West European countries, as well as in East Germany. Based in Cologne, he visits Switzerland about twice a year to record chamber music in Richen, a Basel suburb, where the community hall satisfies his three conditions for a recording venue: freedom from traffic noise, a gently resonant acoustic and an adjacent ho-

possible."

tel for eating and sleeping. Watching Berg at work is proof that there is an art to good recording. It shows in his relation-ship with his artists: how he creates a harmonious working atmosphere, how economically he uses time, and how sympathetically he manipulates technical resources to serve his own and the musicians' artistic goals.

In the Richen community hall, Berg uses a tiny dressing room underneath the stage as his head-quarters. Two coffee tables provide enough space for the recording equipment. Up a narrow staircase, out of earshot but linked by microphone, the six



members of the Linde Consort sit in a circle in the middle of the hall, listening to Berg's comments at the end of each take. He cajoles, jokes and judges, offering a critical commentary on tempo, balance and phrasing. One passage — in the arrangement of Haydn's "Military" Symphony for piano, flute and string quartet - has to be repeated 11 times. eer, penciling the number of

Berg sits next to his recording the best take into his score. Toward the end of each session, the musicians crowd into his bunker, to discuss textual inconsistencies. smile or groan at the quality of the playback, and receive some

Berg says that the success of a studio performance has as much to do with psychology as any other factor. "What the musicians see in front of them is a dead room. You have to give them the feeling that you are listening very exactly, that you know and understand what they are playing, and you have to be able to explain precisely what your reactions and vishes are."

Berg says a recording project can take up to two years because of the budgeting and decision-

making structure of a large international company. "It's a slow business — the small companies can work much faster." For any given project, booking the artists and bringing them together can take a year. Berg used to be able to produce up to 50 records a year; now it is more like 20.

"I find the commercial force of the recording industry stimulat-ing. It makes me think much more: one is forced to give it more trouble. But you have to be successful, and that can be hard on the nerves. Also, you're constantly in contact with highly strung musicians.

"Every minute is expensive, the more so if you are having to pay a symphony orchestra and chorus. I have a very exact clock inside me — you have to be able to judge how to get two movements 'in the can' in a three-hour session. You have to be prepared for compromise, to settle for the best possible result in a particular sit-

Rerg lives in Dortmund, where he was born and educated. He wanted to become a violinist, but his hopes were dashed when he lost an arm fighting in World War II. On resuming his music

studies, he concentrated on composition and singing, became a production assistant with the Coogne Opera, and caught the eye of EMI with some magazine articles he wrote.

More than 25 years ago, Berg helped pioneer the recording of anthentic performances on original instruments, thereby creating a new market in the classical field adventurous and risky." His greatest satisfaction today comes from nurturing young West German soloists like Christian Zacharias and Frank Peter Zimmermann, and championing unusual repertoire.

"I've always tried to produce on the sides of the large streets, to keep an interest in all kinds of music. One feeds the other. When you come from early music to Mozart, he can sound modern. When I listen to a recording I made two years ago, I sometin can't believe how I could have passed it. One's method of judgment is constantly changing. In this business, there are always

Andrew Clark is a journalist and music critic based in Switzerland.

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PEOPLE

Woman Director Cited

Director's Guild of America's high- to "discourage disributors" from her fellow directors for "Children ordered the letter rescinded Pentof a Lesser God," the love story of a house, Playboy and Playgirl magatroubled deaf girl and her teacher. zines are seeking damages for the Also nominated was Woody Allen, loss of up to 20,000 retail outlets. a previous DGA and Academy Award winner, for "Hannah and Her Sisters"; James Ivory for "A Room With a View," a Victorian comedy-drama in turn-of-the-century England; Rob Reiner for "Stand by Me," and Oliver Stone, for "Platoon." The Italian director Lina Wertmuller ("Seven Beauties") is the only other woman to receive a DGA nomination. This year's winner will be named at the 39th annual DGA awards banquet March 7.

President Romald Reagan should feel at home in the library designed to house his administration's papers, because the plans were craft-ed to reflect Reagan's personality, its architect says. The Ronald Reagan Presidential Library, which vill be constructed on the Stanford University campus in Palo Alto, California, is "Western in style of architecture." Hugh A. Stubbins Jr. says. Stubbins unveiled the design at a meeting in Washington of the American Institute of Architects The library will be one story high with red tile roofing, similiar to that of historic California missions.

Attorney General Edwin Meese, whose pornography commission was cited by a judge for efforts to discourage the sale of Playboy and Penthouse, says he has read both magazines and does not consider them obscene. In remarks after a recent speech to law clerks of federal court judges, Meese acknowledged that he once had occasion to read the two magazines, which feature photographs of nude women. Sources said Meese added that the Attorney General's Commission on Pomography was not trying to thwart the sale of Penthouse and Playboy, which he did not consider obscene. The Justice Department spokesman, Terry Eastland, confirmed the substance of Meese's remarks. Meese's statements came seven months after U.S. District

Judge John Garrett Penn found

Randa Haines is the first Ameri- that a letter the pornography comcan woman — and only the second mission sent to drugstore and conwoman — to be nominated for the venience store chains was designed est honor. She was nominated by selling the magazines. The judge

П

NBC News is parting company with Roger Minds, whose "1986" program was canceled last month, according to a report published Thursday. Mudd's departure had been expected since December after the correspondent became engaged in bitter discussions with management about the cancellation of "1986," the news magazine program he co-hosted with Counie Chang. According to unidentified sources quoted by The New York Times, the network had been negotiating with Mudd's agent for several weeks trying to reach a settlement on the remainder of his contract, which guarantees more than \$1 million annually until it expires in 1990.

П Jean Harris, in the Bedford Hills Correction Facility in New York for killing her lover, Dr. Herman Tarnower, has lost special housing privileges for throwing a tantrum and swearing at guards who were removing vases from her quarters. The 63-year-old former girls school headmistress has been returned to a regular cell in the main prison until she earns the right to return to honor housing. She is serving a 15-year-to-life sentence for shooting Tarnower, author of "The Complete Scarsdale Diet."

The pool-playing legend Missne-sota Fats shared some of his trick shots with Ron Reagan Jr., but he told the president's son. The secret of pool is making easy shots. Fats, whose real name is Rudolph Wanderone, had no trouble beating Reagan despite Reagan's prepara-tory training sessions in New York. Their game in Nashville, Tennessee, was for a segment of ABC-TV's "Good Morning America," which plans a five-part series of Reagan re-enacting favorite movie roles. Reagan is a correspondent for the show. Fats wasn't overwhelmed by his company. "Everytime I look, I'm on television," he said. "I've been on TV 900,000 times."

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